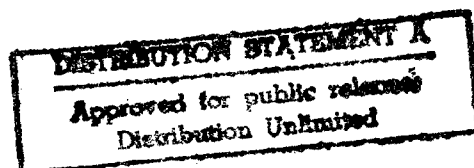


006044

JPRS-NEA-85-126

3 October 1985



Near East/South Asia Report

Reproduced From
Best Available Copy

19980729 157

DTIC QUALITY INSPECTED 2

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

2
178
A09

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

3 October 1985

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

REGIONAL AFFAIRS

| | |
|--------------------------------------------------------------------------------|---|
| Bid To Develop Uranium Resources (KHALEEF TIMES, 1 Sep 85) | 1 |
| Need To Promote Inter-Arab Trade (Editorial; KHALEEF TIMES, 8 Sep 85) | 2 |
| Editorial Urges Close Cooperation With EEC (KHALEEF TIMES, 6 Sep 85) | 4 |
| Bahrain Biggest Trade Partner for UAE (AL-HAWADITH, 16 Aug 85) | 5 |
| Briefs | |
| Swedish Firm Illegally Supplies Arms | 6 |
| Bahrain-Qatar Bridge Discussed | 6 |
| Saudi-Yemeni Border Dispute Analyzed | 6 |

ARAB AFRICA

ALGERIA

| | |
|-----------------------------------------------------------|---|
| Briefs | |
| Algeria: Bendjedid Sends Messages to African Counterparts | 8 |
| Algeria-Tunis Treaty of Fraternity and Accord | 8 |
| Algeria: Minor Earthquake Recorded 7 September | 9 |

EGYPT

| | |
|------------------------------------------------------------------------------------------------------------------|----|
| NPUG Opposition to Camp David Detailed (Editorial, Muhammad Sayyid Ahmad; AL-AHALI, 3 Jul 85)... | 10 |
| Labor Party Discusses Implementation of Islamic Law (AL-SHA'B, 2 Jul 85) | 12 |
| Prominent Banker Discusses International, Islamic Financial Issues (ARAB BANKING & FINANCE, Aug-Nov 85) | 20 |
| Population Redistribution Recommended (THE EGYPTIAN GAZETTE, 1 Sep 85) | 23 |
| Heliopolis-Helwan Highway Completion Expected in December (THE EGYPTIAN GAZETTE, 25 Aug 85) | 24 |
| Infrastructure Projects Implemented (THE EGYPTIAN GAZETTE, 1 Sep 85) | 25 |
| Alexandria Land Reclamation Studied (THE EGYPTIAN, 3 Sep 85) | 26 |
| Exploitation of Old Oil Wells (THE EGYPTIAN GAZETTE, 25 Aug 85) | 27 |
| New Governorate Set; New America Will Be Capital (THE EGYPTIAN GAZETTE, 19 Aug 85) | 28 |
| New Phone Lines Ready in October (THE EGYPTIAN GAZETTE, 2 Sep 85) | 29 |
| Road Projects To Cost LE 93 Million (THE EGYPTIAN GAZETTE, 29 Aug 85) | 30 |
| Solar Lakes Reclamation Project (THE EGYPTIAN GAZETTE, 29 Aug 85) | 31 |
| Sinai Sand for Glassmaking (THE EGYPTIAN GAZETTE, 26 Aug 85) | 32 |
| Ethiopia, Sudan To Supply Hides (THE EGYPTIAN GAZETTE, 4 Sep 85) | 33 |
| Briefs | |
| Drainage Projects | 34 |
| Port Said Land Reclamation | 34 |
| Prefabricated Houses | 34 |
| Japanese Cement Plant | 34 |
| New Nile Tunnel | 35 |

| | |
|----------------------------|----|
| Calibration Systems | 35 |
| Aircraft Assembled | 35 |
| F-16 C, D Planes | 35 |
| Tanks Ordered | 35 |
| Systems Coordination | 35 |
| Grumman E-2C on Order | 35 |
| Gulfstream Models Received | 36 |
| Coastal Defense | 36 |
| PIP To Begin in 1986 | 36 |
| First Contraves Received | 36 |
| Regunning Order | 36 |

LIBYA

| | |
|----------------------------------------|----|
| Briefs | |
| Friendship Societies Seminar in Cyprus | 37 |

SUDAN

| | |
|------------------------------------------------------------------------------|----|
| Political Leaders Discuss New Conditions (AL-TADAMUN, 17-23 Aug 85) | 38 |
| Premier Explains Transition Period, Al-Jazuli Daf'allah Interview | 38 |
| Dissident Questions Regime's Intentions, by Fath-al-Rahman Mahjub | 48 |
| Court Hears Former Minister's Testimony (SUNA, 6 Sep 85) | 51 |
| Briefs | |
| Further Defections to Rebel Forces | 52 |
| Siwar Al-Dhahab Visit to Kenya | 52 |
| Further Reaction to Garang | 52 |

ARAB EAST/ISRAEL

BAHRAIN

| | |
|--------------------------------------------------------------------------------------------------------|----|
| Budget for 1986-1987 Released ('Isa Burashid Interview; AKHBAR AL-KHALIJ, 30 Jul 85) | 54 |
| Ministerial Committees Set New Economic Strategy (Usamah Mahran; AKHBAR AL-KHALIJ, 19 Jul 85) | 58 |
| Minister Said Involved in Prostitution Network (AL-SHAHID, 21 Aug 85) | 59 |

IRAQ

| | |
|--------------------------------------------------------------------------------------|----|
| Massive Industrial Development Projects Described (AL-QADISIYAH, 11 Jul 85) | 61 |
|--------------------------------------------------------------------------------------|----|

JORDAN

| | |
|--------------------------------------------------------------------------------------------------|----|
| Study on Jordan-PLO Agreement Is Issued (AL-DUSTUR, 13 Jul 85) | 64 |
| Upcoming Plan Investments of 4 Billion Dinars Summarized (AL-DUSTUR, 20 Jul 85) | 65 |
| Housing Projects in Upcoming 5-Year Plan Tabulated (Ahmad Shakir; AL-DUSTUR, 20 Jul 85) | 67 |
| Statistics Department Issues Overall Trade Figures (AL-DUSTUR, 5 Aug 85) | 70 |
| Delegation Attends Scientific Conference (AL-DUSTUR, 6 Jul 85) | 74 |

LEBANON

| | |
|---------------------------------------------------------------------------------------------------------------|----|
| Frustrations in Maintaining Political Accords Reviewed (Marwan al-Mahayini; AL-MUSTAQBAL, 13 Jul 85) | 75 |
| Briefs Foreign Currency Reserves | 79 |

QATAR

| | |
|-----------------------------------------------------------------------------|----|
| Japanese Joint Partnership With Qatargas (KHALEEJ TIMES, 6 Sep 85) | 80 |
| Trade With UAE (Ahmed Hassan; KHALEEJ TIMES, 4 Sep 85) | 81 |
| Steel Production Figures (KHALEEJ TIMES, 8 Sep 85) | 82 |
| Briefs Food Imports Increase | 83 |

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

| | |
|-------------------------------------------------------------------------------------------------------------|----|
| YSP Secretary Praises Preparations for Congress (Ali Nasir Muhammad Interview; AL-AMAL, 14 Jul 85) | 84 |
| Briefs New Press Secretary | 91 |

YEMEN ARAB REPUBLIC

| | |
|----------------------------------------------|----|
| Briefs Diplomatic Relations Planned | 92 |
|----------------------------------------------|----|

SOUTH ASIA

AFGHANISTAN

| | |
|--------------------------------------------------------------------------------------------------|----|
| Various Projects Underway To Solve Housing Problems (KABUL NEW TIMES, 1 Aug 85) | 93 |
| Low-Cost Housing Construction for Municipal Workers Begins (KABUL NEW TIMES, 27 Jul 85) | 95 |
| Providing Shelter for Working People a Party Goal (KABUL NEW TIMES, 29 Jul 85) | 96 |
| Reform Sought in Contents, Methods of New Education (KABUL NEW TIMES, 28 Jul 85) | 98 |
| Over 10,000 People Enrolled in Literacy Courses (KABUL NEW TIMES, 28 Jul 85) | 99 |

INDIA

| | |
|------------------------------------------------------------------------------------------------------------|-----|
| Commentator on Developments in Indo-PRC Relations (Inder Malhotra; THE TIMES OF INDIA, 15 Aug 85) | 101 |
| Soviet Role in Development of IOC Discussed (THE TIMES OF INDIA, 17 Aug 85) | 103 |
| Interest in New Code of Conduct for Superpowers Noted (G. K. Reddy; THE HINDU, 19 Aug 85) | 104 |
| Concern Over South Africa (THE TIMES OF INDIA, 13 Aug 85) | 105 |
| Swedish Aid Increases (THE HINDU, 19 Aug 85) | 106 |
| FRG Tax Agreement (PATRIOT, 18 Aug 85) | 107 |
| Soviet Jute Order (THE TELEGRAPH, 14 Aug 85) | 108 |
| Soviet Mining Methods (THE STATESMAN, 13 Aug 85) | 109 |
| Speeches at Banquet for Tanzanian President Reported (THE STATESMAN, 26 Aug 85) | 110 |
| Analyst Tells Indian Stand on Sri Lanka Developments (G. K. Reddy; THE HINDU, 19, 20 Aug 85) | 111 |
| 'Dismay' at Government Actions | 111 |
| Efforts at Persuasion | 112 |

| | |
|-------------------------------------------------------------------------------------------------------|-----|
| India Conveys Concern Over U.S. 'Terrorist' Camp (THE STATESMAN, 26 Jul 85) | 114 |
| Press Reports Efforts Toward Solution of Tamil Question (Various sources, various dates) | 116 |
| High Commissioner on Adjournment | 116 |
| Analyst on Dixit Statement, by G. K. Reddy | 117 |
| Tamil Leaders' Statements | 118 |
| Agreement on Working Paper, by G. K. Reddy | 119 |
| Deported Tamil Leader Returns | 121 |
| Papers Report on Developments in Assam (Various sources, various dates) | 124 |
| New Political Party, by Seema Guha | 124 |
| CPI Welcomes Accord | 125 |
| Assam Minorities Confused, Frightened by Accord (Sumanta Sen; THE TIMES OF INDIA, 26 Aug 85) | 126 |
| Papers Report Developments in Punjab Situation (Various sources, various dates) | 129 |
| Successor to Sant Longowal | 129 |
| Barnala Interviewed, Surjit Singh Barnala Interview | 131 |
| 'United' Dal Issues Press Note on Elections (THE TIMES OF INDIA, 29 Aug 85) | 133 |
| Bill on Corruption Investigation Assigned to Panel (THE TIMES OF INDIA, 29 Aug 85) | 135 |
| Panel Reports Impending 'Ecological Disaster' (THE STATESMAN, 30 Aug 85) | 136 |
| Paper Summarizes Draft of Seventh 5-Year Plan (THE TELEGRAPH, 27 Aug 85) | 139 |
| Rajiv Urged To Pay More Attention to Economic Front (G. K. Reddy; THE HINDU, 25 Aug 85) | 143 |
| Gandhi Tells Stand on Government Workers (THE TELEGRAPH, 20 Aug 85) | 146 |
| Businessman Accused in Spy Case Gets Bail (THE TIMES OF INDIA, 20 Aug 85) | 147 |
| New Oil Deposits Found in Upper Assam (THE HINDU, 21 Aug 85) | 148 |
| New Law Curbs Trade Unions in Intelligence Agencies (THE TIMES OF INDIA, 27 Aug 85) | 149 |

| | |
|-----------------------------------------------------------------------------------------|-----|
| Reports on Delegates to Moscow Youth Festival (Various sources, various dates) | 150 |
| Congress-I MPs' Complaint | 150 |
| 'Misbehavior' of Delegates | 151 |
| Prospects for Autumn Harvest Reportedly Brighten (THE HINDU, 26 Aug 85) | 152 |
| Press Council 1984 Report Lauds Media Performance (PATRIOT, 29 Aug 85) | 153 |
| Namboodiripad Article Discusses Communist Relations (THE TELEGRAPH, 28 Aug 85) | 155 |
| Briefs | |
| Aid to Mauritius | 156 |
| Japanese Loan | 156 |
| Crude for Algeria | 156 |
| Letter to Thatcher | 156 |
| Projects in Soviet Union | 157 |
| Farooq Abdullah Appeal | 157 |
| Power Generation Breakthrough | 157 |
| Allegation Against CIA | 158 |
| Planning Commission Member | 158 |
| Soviet Aid Sought | 158 |
| Punjab-Haryana Commission | 159 |
| Praise for Soviets | 159 |

PAKISTAN

| | |
|--------------------------------------------------------------------------------------------------|-----|
| Independent Planning Commission Views 'Genuine' Transfer of Power (DAWN, 31 Aug 85) | 160 |
| Prospects for Textile Industry Reviewed (Javed Saifullah Khan; ECONOMIC REVIEW, Aug 85) | 161 |
| Review of Export Policies Urged (Shahid Kardar; DAWN, 30 Aug 85) | 169 |

3 October 1985

REGIONAL AFFAIRS

BID TO DEVELOP URANIUM RESOURCES

Dubayy KHALEEJ TIMES in English 1 Sep 85 p 3

[Text]

ARAB League countries are to promote nuclear energy by developing uranium resources through phosphates, which are found in abundance in the north African-Arab states and Jordan.

Another project under study is to develop electro-nuclear energy in several Arab states after feasibility studies are completed. According to informed sources at the Ministry of Petroleum and Mineral Resources, a recent meeting held in Algeria regarding the development of energy sources in the Arab world had discussed the possible cooperation in the exploitation of mineral resources.

It is understood that joint funds will be established to finance these experimental projects, which also call for a strict regulation of energy resources. Transport is one sector where a joint Arab policy is likely to be adopted.

The Arab states are considering to switch over to cheaper fuels to run transport. Already, Bahrain has taken a move to recognise the use of liquefied natural gas as an auto-fuel.

The Algeria conference also studied proposals to develop markets with regard to petroleum products within the Arab world.

REGIONAL AFFAIRS

NEED TO PROMOTE INTER-ARAB TRADE

Dubayy KHALEEJ TIMES in English 8 Sep 85 p 6

[Editorial]

[Text]

THE need to promote inter-Arab trade was underlined again at the Tunis meeting of the Arab Economic and Social Council on Friday when it was decided that a common strategy should be implemented. Details of the strategy were not outlined, but some of the main goals were indicated. These relate to ways to absorb Arab production regionally by achieving a balance between surplus and deficient countries and promoting self-reliance through inter-Arab agreements. There are many other concomitants involved such as the present lack of banking facilities and guarantees against risks, currency problems, the need to create direct credit facilities for the financing of regional trade, and, not least, improved land and sea transportation. But basically the question is one of developing and diversifying the production base in Arab countries which should be considered as an essential prerequisite for the promotion of inter-Arab trade. Without a planned effort at this, the economies of the Arab countries will continue to grow haphazardly and remain a victim of overlapping. They will also remain as tightly enmeshed with the international economic system dominated by the developed countries as ever.

These are factors which have constantly hampered the growth of trade between Arab countries (besides, of course, the political divisions which cloud everything), with the result that such trade was earlier this year reckoned at being just 11 per cent of overall imports and even less of exports. This unsatisfactory position cannot be rectified overnight, and the imbalance created in the past will continue to be with us for some time. But despite this, there is some potential to be exploited. After all, the AGCC states, since the Unified Economic Agreement, have been able to steadily increase trade and commercial exchanges amongst themselves through unification of tariffs and removal of barriers. Trade exchanges among the member-states in locally produced goods were reported to have reached \$744 million for the first six months of this year. This has prompted plans to unify exchange rates and establish a common currency. Steps along the same lines are needed on a wider scale, and the current country-by-country and product-by-product study undertaken by the Arab League should be of great help in pinpointing areas of cooperation. Alone, it will be difficult for any Arab country to achieve self-sufficiency: collectively, it is an eminently attainable goal, which is dictated also by political considerations.

otherwise uselessly flared and because it is at least 40 per cent cheaper to produce ethylene derivatives here. This huge cost difference is, however, nullified by the time the products reach the final consumer because of other variable costs, and if tariffs are imposed, then all profits are taken away. If European consumer goods can find a duty-free market in the Gulf, isn't it logical that the Gulf's downstream products should find a market in Europe? An unequal partnership is not what one understands from cooperation. If the EEC expects the Gulf to be a perpetual market for its wide variety of goods, it is mistaken.

In spite of a possible vulnerability when the Gulf goes into full production later in the decade, Europe, according to independent studies, will still be the second largest petrochemical market with local producers dominating. The European petrochemical industry is in fact threatened more by its refusal to rationalise in the light of the economic realities of the past than by lower-cost products from the Gulf. Unlike the Japanese—who rightly visualised the present shift in production centres and trimmed their capacity—the Europeans went on adding to their capacity even after 1974. A Banque Indosuez study shows that European overcapacity problems affecting ethylene and most of its derivatives began before the emergence of the new Middle East producers. Apparently they allowed themselves to be lulled into believing that there was going to be a quick return to the growth rates of the sixties and that Middle East production plans would be hampered by delays and cost overruns. Even the restructuring now taking place is unlikely to help the European industry at the end of the decade unless there is drastic capacity trimming. Saudi Arabia has repeated that its goal is not to upset the market. It wants a discreet entry into the market so that mass marketing of products does not hurt the margins. It is keen to dispose of products under contracts rather than by spot sales to protect profits. The costs will prevent the Gulf from making a 'killing'. The tactics the EEC is employing have been used previously against nascent textile-exporting nations. But the EEC should remember that the AGCC countries have greater staying power. Let coöperation be open-minded and mutually beneficial.

CSO: 4400/255

REGIONAL AFFAIRS

EDITORIAL URGES CLOSE COOPERATION WITH EEC

Dubayy KHALEEJ TIMES in English 6 Sep 85 p 6

[Editorial]

[Text]

THE two powerful regional groupings of the AGCC and the EEC have expressed anew their desire for stronger ties as their representatives get ready to make another attempt later this month to clear the way for an all-embracing agreement. Their efforts at cooperation cover technology transfer, joint ventures and trade, and there is a large area of agreement in these sectors. But one issue, so close to Gulf countries, has been blocking progress towards a final agreement even after several rounds of talks. The issue at stake is the tariff-free import of petrochemicals into Europe. This was on the agenda of the AGCC foreign ministers' meeting just ended in Riyadh, and UAE Minister of State for Foreign Affairs Rashid Abdullah summed up the council's view by saying that any imposition of tariffs will not "promote a proper atmosphere of confidence and mutual interest." It would encourage strict trade protection that would only harm the interest of both groups.

The current debate follows the decision of the European Commission to put a 13.4 per cent tariff on imports of Saudi Arabian methanol last November on the plea that the kingdom's exports exceeded the quota, which is ridiculously low: the kingdom has since also begun exports of plastics and ethylene. Riyadh retaliated with a tariff on fresh milk and electric cables imported from Europe. Neither grouping is interested in any arm-twisting. As West German Foreign Minister Hans-Dietrich Genscher noted in Kuwait earlier this week, the AGCC and the EEC share close interests. Europe is the largest importer of Gulf oil and Gulf is its third largest trade partner. Mr Genscher felt that the cooperation issue needed a political push, and that may have been why the issue was raised at the AGCC foreign ministers meeting in Riyadh. Mr Genscher will now take up the matter with the European Community's ministers next week. The AGCC has apparently made it known that it is interested in concrete results and feels that there should be prior agreement among the states concerned on the aims of any further meetings with the EEC.

Earlier talks floundered because the EEC is not willing to listen to demands for preferential treatment for exports from the Gulf, a status it accords to exports from some African and Caribbean countries. This is a contradictory stand because the Gulf states are also still considered to be developing countries which need support for their nascent industries. The Gulf has an irrefutable claim to set up petrochemical industries because it is putting to use gas

CSO: 4400/255

3 October 1985

REGIONAL AFFAIRS

BAHRAIN BIGGEST TRADE PARTNER FOR UAE

London AL-HAWADITH in Arabic 16 Aug 85 p 42

[Article: "Bahrain Is the First Trade Partner for the Emirates"]

[Text] According to a study by the Union of Chambers of Commerce, Industry and Agriculture in the UAE, the overall imports for the Emirates during 1982 amounted to 2.377 billion dirhams, including 1.354 billion dirhams from Bahrain or what is equivalent to 57 percent of the overall imports from the other Gulf Cooperation Council states, which are Saudi Arabia, Kuwait, Qatar and the Sultanate of Oman. The overall value of trade between the UAE and the Gulf Cooperation Council states amounted to 11.317 billion dirhams during the period from the beginning of 1982 to the end of the first half of 1984. During this period, the overall value of the imports of the Emirates amounted to 5.077 billion dirhams, while non-petroleum exports were 1.171 billion dirhams.

What did the Emirates import from Bahrain?

The chambers of commerce study states that lubrication products comprised 98 percent of the total imports from Bahrain, with a cash value of 1.332 billion dirhams. Kuwait occupied second place, supplying the Emirates with imports worth 720 million dirhams or 30 percent of their total imports from the Cooperation Council states.

On the level of exports, the Kingdom of Saudi Arabia occupied first place among the states that import from the UAE. The value of those exports rose from 142 million dirhams in 1982 to 150 million during the first half of 1984 only. Saudi Arabia is followed by Qatar. Bahrain, Kuwait and the Sultanate of Oman.

12775

CSO: 4404/441

REGIONAL AFFAIRS

BRIEFS

SWEDISH FIRM ILLEGALLY SUPPLIES ARMS--The government has banned all Swedish arms sales to Singapore until further notice. At the same time it is clear that the police have evidence that the Bofors antiaircraft system, Robot 70, has been supplied to the "banned" Arab states of Dubai and Bahrain via Singapore. "All export deals affecting Singapore have been shelved until the current police investigation of Bofors' missile deals is ready. We want to stop Singapore being used as a channel for the illegal reexport of Swedish arms," Foreign Ministry Trade Department legal chief Jorgen Holgersson told DAGENS NYHETER. "The step should not be seen as a signal to Singapore's government. We will not reach a decision on future behavior toward Singapore until we have all the facts and know in detail how the missiles were supplied to Dubai and Bahrain," Holgersson said. Yesterday the Socialist People's Party and the Left Socialists also called on the government to tighten its sanctions policy. The Socialist People's Party also advocated increased aid to the African National Congress and apartheid's victims and the Left Socialists want all diplomatic ties between Denmark and South Africa to be severed. [Bo G. Andersson report: "Singapore May Not Buy Arms"] [Excerpt] [Stockholm DAGENS NYHETER in Swedish 20 Aug 85 p 6 PM]

BAHRAIN-QATAR BRIDGE DISCUSSED--Feasibility studies are currently being conducted on the construction of a bridge linking Bahrain with Qatar. Preliminary studies estimate the length of the bridge at 40 km. [Summary] [Abu Dhabi AL-ITTIHAD in Arabic 28 Aug 85 p 15 GF]

SAUDI-YEMENI BORDER DISPUTE ANALYZED--Sanaa--Those who believe that calm prevails in the Arab south and that it is free of time bombs are mistaken. The agreements marking the borders between Saudi Arabia on the one hand and the two Yemens on the other are increasingly become a friction point. My questions to Yemeni officials on this matter have been met with reserve if not total silence in view of the sensitivity of the issue. According to press reports, Saudi Arabia has shifted to the PDRY \$100 million in aid allocated to the UAR as a means of bringing pressure on the latter to accept the final annexation of the areas of 'Asir, Najran, and Jizan which were originally Yemeni but were annexed by Saudi Arabia. During Saudi Foreign Minister Sa'ud al-Faysal's recent visit to Aden it was agreed that the PDRY will receive \$30 million in addition to the \$250 million which Saudi Arabia is to pay in the future for the development and expansion of Aden in return for the PDRY's acceptance of the border demarcation under which the southern Yemeni areas of al-Wuday'ah

and al-Shururah, which Saudi Arabia occupied in 1971, will become Saudi territory. In other words, the Saudi Kingdom is telling the YAR: It is now up to you to agree to my annexing 'Asir, Najra, and Jizzan and it is up to me to agree on economic aid in return. Intensive pressures, particularly through the withholding of aid, are being applied in an effort to ensure that the land does not return to its owners. The projects which Saudi Arabia pledged to carry out in the YAR as part of an aid program have instead, during the talks which the YAR prime minister held [with Saudi Arabia], become loans which the Yemenis will have to repay. As for the aid which it is said was intended to help cover the Yemeni budget deficit, Saudi Arabia stopped paying it 18 months ago. [Sulayman Qinnawi dispatch: "Time Bombs on Arab South Borders"] [Excerpts] [Cairo AL-AKHBAR in Arabic 13 Aug 85 p 8 PM]

CSO: 4400/248

ALGERIA

BRIEFS

ALGERIA: BENDJEDID SENDS MESSAGES TO AFRICAN COUNTERPARTS--Alger, 5 Sep (AFP)--On Wednesday, Algerian President Chadli Bendjedid sent messages to the heads of state of Senegal, Mr Abdou Diouf; Mauritania, Colonel Maaouya Ould Sid Ahmed Taya; Niger, Mr Seyni Kountche; and Mali, Mr Moussa Traore. Those messages whose contents were not disclosed, will be transmitted by the Algerian minister for posts and telecommunications, Mr Boualem Bessaieh, who was received on Wednesday by President Bendjedid before leaving for Bamako, Dakar, Nouakchott, and Niamey. Algeria maintains very close relations with these four countries with which it regularly exchanges emissaries. [Text] [Paris AFP in French 1036 GMT 5 Sep 85 AB]

ALGERIA-TUNIS TREATY OF FRATERNITY AND ACCORD--President Chadli Bendjedid, president of the republic, and secretary general of the FLN, made a friendly visit to Tunis yesterday morning. The head of state was seen off at Houari Boumediene international airport by members of the Politburo. Before boarding the plane he reviewed a detachment of the Republican Guard which formed a guard of honor for him. The president of the republic was accompanied by members of the Politburo, Mohamed Cherif Messaadia, head of the Central Committee Permanent Secretariat, Foreign Minister Ahmed Taleb Ibrahimi, and M'Hamed Yala, minister of the interior and local government. President Chadli Bendjedid was welcomed on his arrival at Skanes-Monastir airport by Tunisian head of state Habib Bourguiba. This visit took place in the context of the Treaty of Fraternity and Concord which links the two fraternal countries. Its aim was to express Algeria's solidarity with Tunisia in the present situation. This solidarity has three dimensions: a popular dimension which will lead to joint initiatives in the new future by the FLN and the Destourian Socialist Party to put this solidarity into practice, an economic dimension which will be reflected in action in the Algerian-Tunisian joint commission with a view to implementing joint projects, especially in the border areas, and finally a dimensions related to the defense sphere. President Chadli Bendjedid assured President Bourguiba and the Tunisian people of Algeria's support in all circumstances. Yesterday afternoon the president of the republic and the delegation accompanying him returned to Algiers. On his arrival at Houari Boumediene International Airport the head of state was welcomed by members of the Republican Guard which formed a guard of honor for him and listened to the national anthem. [Text] [Algiers EL MOUDJAHID in French 3 Sep 85 p 1]

ALGERIA: MINOR EARTHQUAKE RECORDED 7 SEPTEMBER--Algiers, 7 Sep (AFP)--A minor earthquake measuring 4.5 on the Richter scale occurred in north-western Algeria early today, the country's National Geophysical Centre said here, adding that there were no casualties or damage. The tremor occurred at 10:56 a.m. (0956 GMT) at Chief, 200 kilometers (120 miles) west of here, centre officials said. The town, formerly known as Asnam, was rebuilt after being razed to the ground by a major earthquake in October 1980. The Richter scale is in theory open-ended, but in practice measures up to nine points. [Text] [Paris AFP in English 1225 GMT 7 Sep 85 NC]

CSO: 4500/204

EGYPT

NPUG OPPOSITION TO CAMP DAVID DETAILED

Cairo AL-AHALI in Arabic 3 Jul 85 p 2

[Editorial by Muhammad Sayyid Ahmad: "Scuttling of the Course and the Accords of Camp David"]

[Text] Government officials often state that there is not a single Egyptian party that demands the scuttling of the Camp David accords. With these statements these officials are referring specifically to the National Progressive Unionist Grouping (NPUG) because this has been the sole Egyptian party that has stood firmly against the dangers of separate deals with the enemy since al-Sadat went to Israel in November 1977. This danger reached its peak in the Camp David accords and the Egyptian-Israeli peace treaty that followed them.

These officials cite the text of the NPUG's platform for the People's Assembly elections of May 1984, which calls for "the abrogation of the course of Camp David through a range of increasingly significant steps." The platform goes on to give its views of these "increasingly significant steps." They include "the complete stoppage of the normalization of relations between Egypt and Israel," "a halt to the export of Egyptian oil to Israel," "decisive steadfastness against the dangers of Zionist infiltration into the mind and mentality of the Egyptian people," "the closure of Israeli studies centers in Cairo," and "confrontation of all efforts that make the Camp David accords and the peace treaty restrictive to the national free will." Among the more shameful examples of the latter are the refusal to allow the establishment of political parties whose founders oppose the Camp David accords. These steps also include the refusal of any breakdown of complete Egyptian sovereignty over the Sinai, including the Taba issue, which is described in the platform as a question of Israeli occupation of Egyptian land and not a question of a border dispute. The steps also include "rejection of any restrictions on the deployment of the Egyptian armed forces deployed for the defense of the Sinai and Egyptian international borders," "the introduction of international forces under the United Nations to replace the multinational force," etc. In the election platform precise language is not present that demands "the scuttling of the Camp David accords." Rather, the call is for the scuttling of the course of Camp David through measures such as those previously mentioned.

This did not mean that the party had abandoned its opposition to the accords and its absolute belief in the necessity of abrogating them either immediately or over time. However, the party sought to stress its position in printing, as a responsible party that rejects the idea of achieving a plan in a hazardous manner or exposing the country to dangers that can be avoided. The platform stated that "the struggle to correct the balance of power in the region, which has tipped to Israel's favor as a result of the signing of the Camp David accords, is a prerequisite to accomplishing the elimination of these accords so that the impact of such abrogation will not be adverse or the cause of increased deterioration in the balance of power."

The final communique of the Second Party Congress, which represented the highest authority in the party, laid the issue bare and demanded frankly, "the elimination of the policy of a separate peace and the abrogation of the accords and the course of Camp David." The final communique did not distinguish between abrogating the course and abrogating the agreements themselves. This abrogation would spontaneously create opportunities to treat the Palestinian issue and the issue of restoring Arab territory in general, not just the parts that concern only Egypt in the treaty.

After today it will no longer be possible for a government official to pretend that no Egyptian party demands the abrogation of the Camp David accords.

12608

CSO: 4504/408

EGYPT

LABOR PARTY DISCUSSES IMPLEMENTATION OF ISLAMIC LAW

Cairo AL-SHA'B in Arabic 2 Jul 85 p 2

[Text] The Socialist Labor Party, in its weekly symposium, continued discussions which it began a number of weeks ago on the subject of the implementation of Islamic law. Last week the party hosted Dr Muhammad 'Abd-al-Jawwad, professor of comparative law and Islamic jurisprudence at the High Jurisprudence Institute in Riyadh, who delivered a lecture on this subject. Counselor al-Damardash al-'Uqali and Engineer Ibrahim Shukri participated in the symposium.

Dr Muhammad 'Abd-al-Jawwad Muhammad began his lecture by commending Engineer Ibrahim Shukri in the field of the application of Islamic law. Then he said, "The entire world is looking to the Muslims and asking how they apply the Shari'ah. The world's attention is focused on the punishments of cutting off the hand of the thief and the stoning of the adulterer. Because of their interest, the application of the Shari'ah is not a subject of concern only to Islamic groups or parties in Egypt. The subject is not unique to Egypt, but is an international issue.

"We Muslims have differed and jurists continue to differ over the application of the Shari'ah. It would be better for us to follow the method of the Koran in dispute. If Islam commands us to argue amicably with Christians, then we are best advised to argue amicably among ourselves as Muslims. The hostility and recriminations which we observe in the newspapers every day is contrary to the path of Islam.

"But how is the Shari'ah implemented? Some jurists say that Islam and Islamic jurisprudence, written in classical Arabic, should be left alone. However, this is not adequate because we must reformulate Islamic jurisprudence in simple words that can be understood by the judge and the people. Some jurists believe that Shari'ah laws should not be restored so that such laws will not be subject to abuse by rulers. Such talk is illogical because we must put before the judge an Islamic law that is sound in its formulation. For example, under the Ottoman rulers, a bulletin of judgments was issued and it included examples of great laws in the annals of Islamic jurisprudence.

Meaning of Shari'ah

"First we must pause and discuss the meaning of the Shari'ah and Islamic jurisprudence. The Shari'ah is everything made legitimate by God. Jurisprudence, however, is the elucidations arrived at by the jurists, and these are of two types: those dealing with religious observances, and those dealing with human relations. This is what encompasses the subject of implementation of the Shari'ah, and our view of this should extend to the entire Islamic state that was divided by colonialists and the enemies of Islam into 34 different countries. What I am saying is that the Islamic world has not passed through worse circumstances than those through which it is passing now. I do not believe that this is attributable to the Islamic succession question, because this case was that of a state that was weakened and then collapsed. On the contrary, the Islamic succession played its role in the spread of Islam as far as Europe. In Europe there were some orientalist who benefitted from Islam in their sciences, such as the German orientalist who wrote the annotated collection of the Koran and the Hadith and the Frenchman Santillana who created the Journal of Transactions and Dealings. The introduction to this journal in 1895 points out that, despite the French occupation in Tunis, Islamic jurisprudence had reached a level in its interpretation of abuse of human rights not achieved by European jurists. The legal scholar, Professor Blachere recorded that one of the popes in the 11th century ordered that the Koran be read in order to facilitate the war against Islam.

"In addition, Santillana went as far as finding it necessary to seek the views of the various schools of Islamic jurisprudence. This is what the Kingdom of Saudi Arabia has done since the era of King 'Abd-al-'Aziz, who ordered that other schools be applied if possible and that all the schools be recorded, since he considered them to be nothing more than different schools of thought in jurisprudence. Egypt is also one of the countries that has used the different schools as a means of eliminating factional fanaticism."

Objections to Implementation of Shari'ah

Concerning the objections to the implementation of Islamic law, Dr Muhammad 'Abd-al-Jawwad Muhammad said, "At the head of the opponents are some men of law and some moderates who undertake to purify laws which violate the Shari'ah, while at the same time sparing current laws which have developed intellectual value.

"Orientalists note that the world is governed by Latin, Germanic, and Anglo-Saxon laws. Why, therefore, does the Shari'ah not stand beside these collections? This can be done through opening the door of ijtihad [independent judgment in legal questions based on the interpretation of the four schools of jurisprudence], which has been closed for centuries, and implementing Islamic jurisprudence, which for a long time has stopped developing and keeping pace with new things in the world by merely forbidding their use. In addition, the general principles and rulings of Islamic jurisprudence have not been applied. Therefore, we must not stop with merely what is written in the books on jurisprudence, but must adopt rulings that are

consistent with general principles of the Shari'ah and reject that which violates the Shari'ah.

"Some legal experts assume there is inadequate study of the Shari'ah for judges and others occupied in the legal profession. This, however, is incorrect, because the Shari'ah is studied in the colleges of law throughout the years of study, and this is not the case with other subjects. If we could translate French laws in 1833 and implement them, and if the Egyptians could study them in French without problems, then can we not at least do the same with the Shari'ah and implement its laws, which are written in our own language?

"Some justify their rejection of the implementation of the Shari'ah by saying that the text of the Koran is inflexible. This is true. However, the inflexibility comes only in rulings that cannot be altered.

Position of Minorities

"Concerning minorities in Islam, I say for the world to hear that the treatment of Muslim minorities in non-Islamic countries is the same as the treatment that the Shari'ah dictates for non-Muslims in Islamic countries. Let me note that the Muslim minority is 10 times the non-Muslim minority, for in the world there are 200 million Muslims who live as a minority compared with 20 million who live as minorities in Islamic countries.

"Concerning permission for a Muslim man to marry a Christian woman and the prohibition against a Christian man from marrying a Muslim woman, I have told European jurists that Islam obligates the Muslim husband to permit his Christian wife to practice the dictates of her religion. He is not allowed to deprecate her beliefs because, like her, the Muslim believes completely in Jesus and Moses and does not differentiate between any of the prophets of God. Therefore, we find in the end that the principle of permitting a Muslim man to marry a Christian woman and the prohibition against a Muslim woman marrying a Christian man respects equality between the religions because a Christian man does not believe in Muhammad--may God bless him and grant him salvation--and if he did he would become a Muslim.

"Some believe that the Koran does not distinguish between the law and ethics. This is incorrect because the legal principles clearly outline moral principles. For example, there are specific punishments for the adulterer and the thief and there are fixed requirements for inheritance that apply to everyone.

"Some also say that Islamic principles can be described as barbaric. In the beginning I was enticed by this idea, then my views were changed when I became convinced that these principles are aimed at deterrence and intimidation. For example, it is very difficult to prove adultery without a confession. Any society must first be Islamic in order for the punishments prescribed by the Koran to be implemented. For what would a judge do with an accused person who has 30 previous convictions, this being only the number of times he was caught? How many crimes has such a person committed without being caught? What would be saved even by decapitating this criminal rather than just

cutting off his hand? Is barbarity in cutting the hand of such as thief or in cutting the hand of a thief in Harlem in America who has cut off the hand of a lady while stealing her bracelet? Is barbarity in Islam, which protects the honor of mankind, or is barbarity in placing women naked in window displays where people can gaze at them? Islam respects human beings without differentiating between whether he is a believer or an infidel, red or yellow.

"In addition, some talk about religious persecution. If we were to look at a map of the world, we would find battles between Catholics and Protestants in Holland, in which more were killed than were killed in the European wars. We would find other conflicts that are on the verge of igniting in Ireland between the same two confessions, and battles between Iran and Iraq. All of these are conflicts between coreligionists. Before the revolution in Egypt, the Chamber of Deputies, with the agreement of Christian deputies, passed the Will and Inheritance Law in accordance with the Shari'ah. The Shari'ah has been studied by French students, and Professor Samir Shahatah, a Christian, is studying at our university with total conviction and understanding.

"One of the shaykhs in Sudan told me, 'The Muslims are the majority and, therefore, we will implement the law of the majority.' I told him that this is a mistake. As 'Ali ibn Abi-Talib said, 'His worthiest of intentions are futile.' The shaykh was wrong because this issue will not be solved except through sincere argument and debate of the path that is best. In this way, many of the Christians in Egypt have adopted the Islamic law regarding inheritance."

Mass Movement

At the end of his lecture, Dr Muhammad 'Abd-al-Jawwad stressed that "the group of parties that have adopted the cause of the Shari'ah, particularly the Labor Party, and other Islamic groups, must study Islamic jurisprudence and legislation and simplify them. They must not resort to insulting people or accusing them of being infidels. These methods alienate the masses from Islam and serve the enemies of the Shari'ah and not Islam. I read a statement to Shaykh al-Ghazali and Dr al-Barri that confirmed that many Islamic groups had been penetrated by elements whose mission and role was to alienate the people from Islam through insults and name-calling.

"This evidence came in a statement by the American, Cobler, who said, 'When we sought to infiltrate our agents into the Muslim Brotherhood, we found that the Russians and the British had preceded us.'

"Despite this, let me reassure the enthusiasts of the Shari'ah by saying that there are three international organizations that are working to implement it. These are: the Arab League, whose efforts are extremely slow, reflecting the reality in the Arab world; the Islamic Conferences Organization in Jeddah; and the Gulf Cooperation Council. I also stress to you that there is an intense, sweeping movement in the Islamic world. It is said that extremism in religion is the natural reaction to extremism in corruption. We must also work carefully with the youth. The call to Islam is an ancient one that long ago confronted ignorance and the ruler, but today is confronting America and Russia and various intelligence services. Moreover, the prophet, may God

bless him and grant him salvation, received the call over the course of 23 years and God was able to achieve victory for the call to Islam by merely revealing it. Therefore, I encourage the enthusiasts of the Shari'ah and those who want to increase their enthusiasm to ponder this."

At the end of his address, Dr Muhammad 'Abd-al-Jawwad pointed to the 1964 revolution in Sudan as the greatest popular revolution in the modern era. He pointed out the great accomplishment of instituting an Islamic constitution, which was ratified in 1968 after 3 years of deliberation. He asked that it be studied and followed as an example.

Insistence on Implementing Shari'ah

Counselor al-Damardash Zaki al-'Uqali then said, "Muslims must call on the entire world to listen to the logic of implementing the Shari'ah. This must be addressed especially to the West, which claims that it believes in religion and raises the banner over its institutions that God supercedes individual rights. We ask them whether they raise the banner of religion over the doors of night clubs that are frequented in people's spare time or if religion is a serious arrangement between mankind and its lord. If the latter is the case, then there must be absolute obedience to God and His commandments. We listen to America, who is confronting communism with the claim that it is godless while cloaking itself in religion and saying that religion is a civilized, human value. Using the same premise, we say to the West that religion must either be of intrinsic value and therefore obeyed, or it is merely a commodity (as it is with America's use of religion) that is exploited against communism in one instance and fought against in many other instances.

"Communism offered a social alternative that is the essence of religion, but then regressed and destroyed this essence. The West raises the demand for religion, freedom of belief, and freedom to decide, until Islam is involved. At that point the governments become infuriated at Islam and confront it, pretending to forget the freedoms that they call for.

"But we as Muslims insist on the implementation of God's law. The constitution clearly stipulates this and nothing remains except the practical implementation of this. There are matters in which there are commandments from God from which no Muslim can shrink. The prophet, may God bless him and grant him salvation, specified the principles of Islamic law when he said, 'What I forbid you to do, you must cease doing. What I command you to do, do to the extent you are able.'

"In other words, there are many absolute commandments that do not require debate and we must move quickly to implement these. If the government wanted to demonstrate its good intentions, then it would implement these to show that it believed in the adoption of God's law. Otherwise, it would show that it is heretical, in which case we could rest from our demands.

"Moreover, the situation with the Muslims is not one which calls for despair. God said, "Do not despair of the mercy of God." Islam is a miracle in its revelation, its spread and now in its survival to this day. The professor who spoke before me pointed to the revolution in Sudan as the greatest revolution

in modern times. I believe that the Islamic revolution in Iran is the greatest in this era because it erupted in a society surrounded by a Soviet presence on its borders, the strongest and deepest Communist party in the region (the Tudeh Party), and American influence permeating the Shah's court. American intelligence had stressed that the Peacock Throne was the strongest and most stable regime in the entire region. Nonetheless, the heart of Islam outweighed all of these factors, and America, Russia and the Tudeh Party have been incapable of taking power.

"In Egypt there is no longer room for compromise solutions that take the form of Islam and adopt laws that violate the law of God. 'Umar Ibn al-Khattab took Persian laws, but he took those that did not violate Islam. He said, 'We will adopt from Khosrow [the Persian kings] anything that achieves justice.'

"For everything that is forbidden by the Koran there are absolute sentences, and that which is mentioned as forbidden comes in this context. What is mentioned without being forbidden can be evaluated according to the circumstances and requirements of a society. The punishment for the Koranic proscription against hoarding money could be our current situation, in which we have reached a point of complete speculation in prices.

"Concerning the Western mind, it encompasses racism and Zionism but does not encompass Islamic internationalism. The Jews are God's chosen people. They assume that they are the foremost people and that all below them are unequal to them. They mistreat Arabs and Muslims, defile their sacred and holy places and abuse Arab honor. No voice is raised to reject their practices in the West, even when the Jews take Lebanese Muslims in locked cages in airplanes to Israeli prisons. Nor do they say anything defending the people of Lebanon when they rise in defense of the honor of the Muslims and truly apply the laws of God. 'If the land of the Muslims is violated then the Jihad is an obligation for every Muslim. Women can go out without the permission of their husbands and children without the permission of their guardians.'

"We ask and repeat the question, how can the constitution of the country stipulate the implementation of Islamic law? The country manufactures and sells wine at the same time that it is forming a committee to study the implementation of Islamic law. I believe that this is contradictory. We want clarity, frankness and freedom for all people to worship their lord. We want the Muslim woman to be able to find clothes that will cover her, and we do not want her to be ordered by the media, implicitly or explicitly, to flaunt herself. Prostitution and drunkenness were much worse in Iran than they are in Egypt, and the proliferation of police officers was much greater. But when the revolution came, all of this was destroyed in its path. Although the Western media has publicized what is happening in Iran, it did not make any mention of the prisons of the Shah, his detention camps, his spies, his torture chambers, his equipment for torturing his opponents and the meat grinders that live people were put into to be torn apart. We present our word to God, to the country and to our citizens that we reject the threats of the rulers and the government newspapers to strip our freedom. If they have grown weak from the dose of democracy that has breathed life into the people, then I go to God with my complaint, and it is not a complaint of weakness. 'They are cunning and God is cunning, but God is the most cunning.'"

Far from Mankind

Colleague 'Abd-al-'Aziz Mursa then spoke. He said, "The Shari'ah has become a seasonal issue that is raised every year to drain the power of the people to ponder and pursue the goal of the implementation of the Shari'ah. Then the issue is exploited to divide Muslims into radicals and moderates. If the intentions of the ruling party were sincere, Egypt would present to the entire world the greatest model of a perfect Islamic regime, not like the Iranian model, which was distorted by the media, nor like the regimes of Numayri and al-Sadat, the latter of which claimed that he was the lord of the Egyptian family and the protector of the sanctity of Islam.

"Regardless of the results produced by these discussions, we will continue in the Socialist Labor Party to consider the rulings of the Shari'ah and Islamic jurisprudence and the ideal method to implement them because we are a party that places the law of God at the forefront and as the basis of its political platform."

Colleague Samir Muhammad Mukayid asked how the Shari'ah could be transformed into a constitution in light of the multiplicity of political parties.

Dr Muhammad 'Abd-al-Jawwad Muhammad answered, "The Koran established general just principles and did not specify the form of the state--a kingdom, sultanate or republic--as long as there is justice among the people and the principles of the Koran predominate."

Labor Party Position on Shari'ah

At the end of the symposium, Engineer Ibrahim Shukri spoke and said, "The Socialist Labor Party preceded all other parties in calling in writing for the the Shari'ah to be the basis of legislation. After we did this, Article 2 of the constitution was amended, and then the other parties amended their platforms regarding this matter.

"Then our political platform last year included a clear and specific call for the preparation of society for the implementation of the Shari'ah. We did not discuss this issue in order to adjust to the prevailing sentiments or as a way of gaining sympathy from those who call for the Shari'ah. Rather, we believe in this principle, and have believed in this principle since our inception long ago when political activity in Egypt was young. We have built generations of Egyptians on Islamic principles, believed in the role of Islam in our lives, and called for Egypt's return to its Islamic role through individual believers who recognize their responsibilities toward their religion and their nation. In this regard, we have called for society's purification of everything that violates the law of God, especially the bars, some of which have been destroyed by young gangs of Egyptian youth. The party has also stood against prostitution and sought to prevent youth from experimenting with this in the context of our campaign to purge prostitution from society.

"In the People's Assembly we have always stressed that society should be purified of that which violates the Shari'ah. This does not require

legislation or the formation of committees, but honest intentions to implement the Shari'ah. We have requested that the wineries that are monopolized by the state be transformed to produce beverages other than wine, which the state now produces, sells and urges citizens to buy with ads on the airplanes of Egypt Air. We also ask that the doors of the gambling halls, which are frequented by government employees, be closed. We have urged that they be closed so that state revenues be kept out of the profits of these halls.

"What is happening now is that society is being divided into factions to ignite sectarian sedition. Such division occurred before because of unjustified measures that were taken. This supposedly is happening, although the people of Egypt have never in their history known this kind of crisis. This lie is being spread by government officials, and through it they are leveling threats in the newspapers that they will strike hard at the hand of anyone they suspect of provoking the crisis. The truth is that the crisis lies in these statements, measures and threats.

"There were correct beginnings regarding this matter in the People's Assembly, which produced a number of drafts. Calm steps were taken to propose and study ideas, then carefully review the studies, then propose the ideas again to the assembly to be ratified article by article. Then the speaker of the assembly began to exploit the gaps in the bill and claimed that there was no legislation in line with the Shari'ah in the People's Assembly. He planted in the minds of some and in the hearts of others the notion that everything that had happened was merely an effort to waste time until the end of the session, then repeat the episode in the following year, etc. This, he claimed, would be the same series of events that has occurred repeatedly over the past 7 years. We do not encourage violation of the law, but the reasonable men who are procrastinating and softening and diluting the efforts to implement the Shari'ah are the ones that are exploiting the sentiments of the people. The patience of some has run out and the blame lies with these reasonable men who allude to a threat that the Shari'ah might pose to democracy. The only danger to democracy is the behavior of these people.

12608

CSO: 4504/408

EGYPT

PROMINENT BANKER DISCUSSES INTERNATIONAL, ISLAMIC FINANCIAL ISSUES

London ARAB BANKING & FINANCE in English Aug-Nov 85 pp 24-26

[Text] Former Egyptian prime minister Abdel-Aziz Hegazy has had a wealth of experience in international finance. After a spell in the 1960s as dean of commerce at Cairo's Ain Shams university he held several key economic portfolios, helping to formulate Anwar Sadat's "open-door" policy, before going on to head the government from 1974-1975. Since then he has been closely involved with Western banking systems as well as playing an active role in the development of Islamic banking. He has been investment auditor of Geneva-based Dar al-Maal al-Islami and deputy chairman of Cairo-based Faisal Islamic Management, and is currently chairman of Egypt's Bank of Commerce & Development. In July this year he was appointed chairman of London-based Allied Arab Bank, which suffered heavy losses in both 1983 and 1984. In a wide-ranging interview, Hegazy discusses Allied Arab's plans for recovery, looks at the worldwide potential for Islamic banking, and gives his thoughts on the role of foreign banks in Egypt.

■ *Allied Arab has gone through a rocky period recently. How do you see the future for the bank?*

□ It may be true that Allied Arab has gone through a rocky period, but I think you will find the shareholders are going to inject more capital, strengthen the management, widen the bank's scope of activities and diversify its sources and application of funds both in the Arab world and in the financial capital markets of the UK, Europe and the US. This should help to overcome the difficulties of the past and help to build a stronger base for future development. We also have to introduce new blood into the bank and strengthen our direct personal relationships with individuals and institutions.

■ *You have been closely involved with Islamic banking institutions such as Faisal Islamic Bank and Dar al-Maal al-Islami. How do you see the concept of Islamic banking developing?*

□ The development of Islamic banking cannot be regarded in isolation from the whole concept of economic thought in Islam. Islamic banks cannot function apart from the economic order of the country in which the concept is implemented. They have to develop within an economic framework where they function side by side with other economic units - in trade, industry, agriculture, contracting and so on.

To make this possible, rules must be drawn up for a financial and monetary system which central banks can adopt. You cannot run Islamic banking within a system of supervision and control which is built on creation of money supply, with capital and liquidity ratios which take into consideration the use of interest rates. There is conflict between Islamic and conventional banking in this respect, but the two may coincide in other respects, such as their preference for real investment (as against speculative hoarding, which is forbidden in Islamic thought), competition (as against monopoly,

which is not encouraged in Islam), and risk participation (as against dormant investors or depositors, who take a fixed interest defined beforehand).

Islamic banking also has a socio-economic aspect, as it combines the object of profitability with the importance of meeting certain social goals through the implementation of *zakat* — a tax on profits and capital. Funds collected in this way are distributed according to certain criteria to the poor and the needy, and their impact on society, particularly in developing countries, is moral, psychological and economic.

Participation of this kind — especially when these funds are distributed in the geographical domicile of the bank — strengthens the belief that such financial institutions do not exist merely to serve the rich.

■ *What is the present state of co-operation between Islamic and Western institutions, and how can it develop?*

□ Islamic banks and financial institutions are developing fast in trade and investment. They could co-operate better with Western institutions if these institutions changed the rules of the financial game to exclude interest. There has been an understanding by some Western banks of the formulas adopted by Islamic banking, such as financing trade on a participation basis, which means sharing in the risk. We are sure that such a system is far more advanced in its judgement of economic feasibility than conventional interest-bearing techniques, since it calls for more sophisticated accounting and cost/benefit analysis.

Islamic banking operations do have to be kept separate in terms of their source and application of funds, but this does not preclude close working with conventional systems. One type of Islamic institution is wholly run on an Islamic basis, but there is another that uses separate departments or branches for Islamic and conventional banking to ensure that funds are not mixed up.

I think in the long run Islamic financial and economic institutions will expand and the interest-based institutions will find ways and means of working with them. Experience has shown that this is not difficult to develop. But the need for mutual understanding of concept, mechanism and objective is becoming urgent.

■ *The regulating of Islamic banks by central banks both in the Middle East and outside is still in its infancy. How do you see the development of such regulations?*

□ For Islamic banks to function, the central banks in Islamic countries must develop new laws and regulations concerning their use of funds. In particular, central banks need to develop criteria of profit-sharing, ratios between trading and investment, relationships between current and deposit accounts, and recognition of *zakat* and regulations concerning its expenditure. They also need to contribute to the formulation of guidelines for "investment auditing" — assessing the performance of investments — as this is different from the conventional function of auditing.

In addition, some system may be developed for the participation of depositors in annual general meetings of financial institutions, as they are really participants in risk-taking or profit/loss sharing. There are many other functions to be revised and new criteria to be developed.

■ *You mentioned that Allied Arab is planning to channel Islamic funds into the London market. Could you explain this, and some of the mechanisms you plan to use?*

□ Allied Arab should in its future policy make use of liquidity available in Islamic banks and financial institutions. At present these are channelling their short-term funds into money markets and commodity trading. They are also looking for investment in projects and in foreign trade. The scope is wide and it depends on how far Allied Arab can provide such services. I think they will develop gradually, as they need organisation and well-trained staff.

■ *What markets does Allied Arab intend to concentrate on in London?*

□ We shall be looking for new opportunities through the opening of branches once we have consolidated and developed our existing functions. I think the results of the first six months of 1985 show that we have passed the critical point and we are moving to the normal profitability of a financial institution run on business and professional bases.

■ *As a former prime minister and current chairman of Cairo's Bank of Commerce & Development, how do you see the role of the foreign banks in Egypt?*

□ The number of banks, branches and offshore banks — a development of investment law 43 of 1974 — proves the interest of world financial institutions in Egypt's economic progress and is a very good sign for the evolution of a financial market in Egypt. If this development is criticised on the basis of the banks' failure to participate in the investment

programme, we should blame those who are supervising the economy and controlling the transfer of capital and profits.

It is, though, vital to have regulations governing such essentials as minimum capital, profit transfer, and so on. But I think the government is now taking the necessary steps to rationalise development of the banking sector and set the rules for its stability and continuity.

■ *In Egypt at present the slowdown in remittances indicates that the current account deficit could worsen significantly this year. How do you see the problems facing the government, and what options do you think are open to it?*

□ Changes in the make-up of Egypt's hard-currency revenues are part of the changes taking place in the Arab world as a

whole. As remittances slow, there is a corresponding drive for the promotion of exports and tourism. But a real value for hard currency has to be determined to encourage transfers both by Egyptians and other investors.

In fact, a whole framework of economic policy has to be set up after a thorough analysis of actions taken in the 1960s, particularly concerning emphasis on the public sector; and the 1973 paper concerning the open-door policy has to be reviewed on the basis of achievements during the last 10 years.

It is essential to strengthen the private sector's participation in national development. The 23-25 per cent share allocated for private investment in the five-year plan and in annual budgets is not enough. An industry geared for export must be established and given the necessary incentives.

CSO: 4500/210

EGYPT

POPULATION REDISTRIBUTION RECOMMENDED

Cairo THE EGYPTIAN GAZETTE in English 1 Sep 85 p 3

[Text]

THE Local Council for Services and Social Development recommended that there should be a redistribution of population to allow for the settlement of people in the new residential districts outside the Delta. Statistics showed that the total population of Egypt will be 70 million after another 15 years. This represents an increase of 25 million people.

The continual rise in population does not represent the major problem from which the country is suffering, as the total area of Egypt can absorb the rise if distribution includes the new residential areas which can accommodate 27 million people.

The Council's study on population revealed that Ramadan 10 City, the Sadat and Ameria can each absorb 500,000 people while October

6 City can accommodate 35,000 people and May 15 City can absorb 150,000.

Each of the cities of el-Obour, el-Amal and Badr can accommodate 250,000 people. In addition several other new cities including el-Safa in Assiut and some cities on the east bank of the Nile in Beni Suef, Sohag and Aswan have been established.

The Government is exerting efforts to institute housing projects in the new cities. Some construction operation are being financed by Governmental loans to be paid off over a period of 30 years at an interest rate of 4 per cent.

The Council further recommended the implementation of the housing projects in gradual stages, each accommodating from 25,000 to 50,000 people. — GSS

CSO: 4500/207

EGYPT

HELIOPOLIS-HELWAN HIGHWAY COMPLETION EXPECTED IN DECEMBER

Cairo THE EGYPTIAN GAZETTE in English 25 Aug 85 p 3

[Text]

THE Heliopolis-Helwan new motorway (autostrade) which is currently under establishment is expected to be completed by the end of December, according to Mr. Mahfouz Hana, Chairman of the Executive Body for the Reconstruction of Greater Cairo. The remaining stages under way in the project are the second, third and fourth which will serve Maadi, Masara, Tura, Helwan and the industrial establishments, he said.

Products of the factories in such areas will be transported by the new autostrade to governorate roads without having to penetrate the road network of Greater Cairo. The final stages also serve Upper Egypt transport to Cairo, said Mr. Hana. He affirmed that when the autostrade is completed, pressure will be relieved on Salah Salem road and Sayeda Aisha bridges. — GSS

CSO: 4500/207

EGYPT

INFRASTRUCTURE PROJECTS IMPLEMENTED

Cairo THE EGYPTIAN GAZETTE in English 1 Sep 85 p 2

[Text]

MINISTER of Reconstruction and New Communities, Mr Hasaballah el-Kafrawi approved a number of infrastructure projects to be implemented in various governorates, the costs of which amount to LE 151 million. Among these projects is that of extending a potable water pipeline of 700 milimetres diameter, from Alexandria to Matruh. The project is due to be completed within two years.

Bridges will be built over the Suez Canal and road networks between kantara East and El-Shat and between Abu Rideis and new kantara East will be completed. Roads leading to Sinai eastern frontiers up to Tabe will be paved.

These projects also include completing the potable water pipeline from Ahmed Hamdi tunnel to Abu Rideis to convey water to South Sinai, and another line from kantara West to Arish. The establishment of new fisheries in the High Dam lake for promoting fish wealth and experimental farms in a number of villages including Kalabsha and Salam are also included among the projects. Also the fishing harbour in the High Dam lake will be developed.

In the New Valley, new wells will be drilled and potable water pumps will be renovated. Also water pipelines will be extended in the oases. An ice-works will be built in the New Valley and the subways in el-Kharaga city will

be paved.

New sewerage networks will be established in Br el-Abd and el-Tur cities and street-lighting will be established in el-Tur city.

Meanwhile Mr el-Kafrawi has issued a decree according to which three public sector companies will undertake to build a ring road which will serve as a means of solving traffic congestion from which Cairo suffers. The companies will also make a survey of the desert land round the ring road and outside the Cairo environs so as to decide the most suitable areas for the establishment of new communities. They will also complete the Heliopolis-Helwan motorway (autostrade). — GSS

CSO: 4500/207

EGYPT

ALEXANDRIA LAND RECLAMATION STUDIED

Cairo THE EGYPTIAN in English 3 Sep 85 p 3

[Text]

A TEAM of agricultural experts and university professors has already started field studies that aim at reclaiming and cultivating 74,000 feddans between El-Alamein and El-Hamam, depending on the recycling of sewage for irrigation, an official source at the Ministry of Agriculture said.

The results of these studies will be discussed by the Higher Committee for Policies together with recommendations of the Local Council of Alexandria Governorate and the Comprehensive Planning Authority as regards getting rid of Alexandria's sewage into the Western Desert to avoid pollution of the governorate's coasts.

The project includes the establishment of a number of

stations to treat sewage with chemicals in order to render it suitable for irrigation of this area of land, which is known to be fertile, said the source.

Meanwhile, the National Democratic Party (NDP) is currently probing a project that aims at reclaiming and cultivating 50,000 feddans at Siwa Oasis. The Minister of Agriculture and Food Sufficiency, Dr. Youssef Wali, has decided to form a committee comprising experts of Agrarian Reform to select areas which are suitable for the project. The committee will depend on results of studies which were conducted by American and Dutch consultative offices on the best way to exploit the subterranean

reservoir at the oasis. The reservoir has three springs which provide more than one million cubic metres of water daily, according to Mr. Mohamed Allam, Director of Land Reclamation in Matruh Governorate, who pointed out that such a huge quantity of water is not utilised as it should be.

Mr. Allam, moreover, said that the American consultative office has recommended the use of this water for the cultivation of 50,000 feddans with tropical crops and non-traditional products. He added that a group of Egyptian and foreign experts will visit the area soon to conduct a study on the establishment of a new community there. GSS

CSO: 4500/208

EGYPT

EXPLOITATION OF OLD OIL WELLS

Cairo THE EGYPTIAN GAZETTE in English 25 Aug 85 p 2

[Text]

STUDIES are being conducted to exploit the remaining quantities of petroleum in the old Egyptian wells as about 40 to 60 per cent of the capacity of crude oil is usually reserved in the wells after exploitation. The wells are then closed because extraction would be on economic and unrewarding compared to previous costs.

A contract was recently signed between the Petroleum Research Institute and the Academy for Scientific Research and Technology to carry out the project for extracting the remaining crude oil in the old wells. The necessary studies for the project will be conducted over 28 months in collaboration with faculties of Engineering at Cairo and Al-Ashar universities, the Egyptian General Petroleum Corporation and some of its companies.

Dr. Mohamed Ibrahim Rushdi, Chairman of the pro-

ject's Research Team and Deputy Director for the Petroleum Research Institute pointed out that oil extraction in Egypt as well as all over the world covers two main stages. In the first, about 30 per cent of the crude is pushed up by the natural force of the petroleum pressure. During the second stage the well is usually injected with water or gases and artificial pressure is applied which extracts from 20 to 30 per cent more of the crude oil.

In this case about 40 to 60 per cent of the crude is left, said Dr. Ibrahim. He stated that before 1973 the wells throughout the world were to be closed after the second stage. But with the rise in petroleum prices some countries including the USA, Canada and Romania started re-exploiting the old wells and Egypt is now following their example. — GSS

CSO: 4500/208

EGYPT

NEW GOVERNORATE SET; NEW AMERIA WILL BE CAPITAL

Cairo THE EGYPTIAN GAZETTE in English 19 Aug 85 p 2

[Text]

STUDIES have proved that the soil of the new projected Governorate adjacent to Beheira, Alexandria and Matruh Governorate is fit for the cultivation of a variety of agricultural produce.

The governorate will have an area of about 300,000 reclaimed feddans in West Nubaria with New Ameria, which is currently under construction, as its capital. It is designed to accommodate 240,000 families i.e a population of about 1,250,000.

The Governorate will be easily linked to Cairo and Alexandria by the desert road and the new transport lines to be executed at a later date.

Nubaria has been cultivated with sugar beet, wheat, cereals, fruit and vegetables.

Several centres for raising about 65,000 head of cattle and 130,000 head of sheep are also projected. Furthermore, poultry and rabbit farms plus apiaries are to be established.

Several industries depending on crops cultivated in the governorate will be established such as, sugar production, onion drying, dairy products, oil extraction, and jams. Factories for hand-made rugs and carpets are also to be introduced.

Arrangements are also made to establish 150 villages provided with all basic services. With the establishment of this Governorate the area will restore its ancient reputation of 2,000 years ago when it was a large wheat-growing area. — GSS.

CSO: 4500/208

EGYPT

NEW PHONE LINES READY IN OCTOBER

Cairo THE EGYPTIAN GAZETTE in English 2 Sep 85 p 2

[Text]

FIFTY-THOUSAND new phone lines will be brought into service during the two months of September and October in Heliopolis, Mohandisin and Almaza regions, said the Minister of Transport, Telecommunication and Maritime Transport, Mr Soliman Metwali. In detail, he said, that 10,000 lines will be installed in Heliopolis, 20,000 in Almaza and 20,000 in Mohandisin.

Mr Metwali also said at yesterday's meeting with the Chairman of the National Telecommunication Authority, Mr Mohamed Wagdi and senior officials in the authority, that the automatic call service will be available

for the first time in Kaf el-Sheikh, Desok, Rashid, Kafr el-Dawar and Kafr el-Zayat regions at the same time.

He also urged increasing the number of coin-box telephones in Alexandria from 62 to 105. He stressed the necessity of the continuous following up of maintenance of the public service phones and increasing their numbers, especially in the main squares, petrol stations, hospitals and police stations.

The minister also discussed with senior officials the progress of work on a number of new projects and the possibility of extending phone networks to the new residential areas to provide lines to new inhabitants. GSS

CSO: 4500/209

EGYPT

ROAD PROJECTS TO COST LE 93 MILLION

Cairo THE EGYPTIAN GAZETTE in English 29 Aug 85 p 3

[Text]

A NUMBER of projects for maintaining, renovating and establishing new roads to serve the traffic movement will be implemented within the context of the Ministry of Transport's plan for the present year. These projects will cost LE 93 million.

The Ministry is currently studying the framework of the new five year development plan as regards roads projects so as to serve the development and reconstruction projects in the country, said Chairman of Roads and Bridges Authority, Mr Ahmed Shawki.

According to the plan, roads which have exceeded their period of service, will be repaired and widened. It also includes the establishment of a new network of roads linking production, industrial, and residential centres with consumption regions. - GSS.

CSO: 4500/209

EGYPT

SOLAR LAKES RECLAMATION PROJECT

Cairo THE EGYPTIAN GAZETTE in English 29 Aug 85 p 2

[Text]

WORK is currently under way for the establishment of two solar lakes in el-Maks region, Alexandria. The aim of the project is to generate power and pump subterranean water required for land reclamation. Experts of the Power Sector and Cairo university professors are conducting technical tests to guarantee the validity of the project, said Chairman of the New Energy Organisation, Dr. Talt el-Tablawi.

He also pointed out that a project for the establishment of a maritime solar lake on an area of 10,000 square metres is currently the subject of study.

Dr. el-Tablawi said that other similar lakes will be established in Wadi Rayan, Fayyum and along the coasts of the Red Sea and Sinai to desalinate sea water and use extracted salts in increasing the concentration in the lower layer of the lake.

Experts are also conducting a comprehensive survey to locate other sites in the country. Dr. el-Tablawi stated that these projects come within the framework of the Ministry of Power's plan for making the best use of the available energy resources to provide at least 50 per cent of the total volume of the country's requirements of energy. GSS

CSO: 4500/209

EGYPT

SINAI SAND FOR GLASSMAKING

Cairo THE EGYPTIAN GAZETTE in English 26 Aug 85 p 3

[Text]

LARGE quantities of white sand which can be used in ceramics, pottery and glass industries to exist in the mountains and valleys of Sinai. Studies and research conducted by experts and geologists revealed this fact, said Mr. Monir Shash, the Governor of Sinai. In the light of these discoveries, the governorate is currently studying the possibility of establishing a factory near Yelek Mountain in Sinai to exploit the existing materials.

To achieve this end, the governorate has made a deal with the Suez Canal University and the National Centre for Research to dispatch experts to conduct field research and work out the final details for establishing the factory. The governorate will also coordinate with the Ministry of Industry and other bodies concerned to start executing the project.

— GSS

CSO: 4500/209

EGYPT

ETHIOPIA, SUDAN TO SUPPLY HIDES

Cairo THE EGYPTIAN GAZETTE in English 4 Sep 85 p 2

[Text]

THE General Company for Tanneries in Cairo has made a deal with Ethiopia and the Sudan according to which, both countries will export hides to the Company for making shoes and leather products, said Mr. Imman Hassanein, Chairman of the Company. The contract signed with Ethiopia, estimated at three million dollars, is to import 1000 tons of hides. In return, the Egyptian company will export shoes and leather products of the same value to the Ethiopian markets.

Meanwhile, the value of the contract signed with the Sudan is estimated at LE 2 million, to import about 800,000 tons of hides. Moreover, contracts have been signed with Uganda, Zambia, Tanzania, Sudan and Jordan, and the Egyptian Company will export shoes and leather products to the value of 3 million dollars.

CSO: 4500/209

EGYPT

BRIEFS

DRAINAGE PROJECTS--The Ministry of Irrigation will carry out a number of tiled drainage projects on an area of 400,000 feddans during this and the coming year, said Mr Essam Radi, the Minister of Irrigation. The plan of the Drainage Authority at the Ministry includes carrying out such projects to cover a total area of about five million feddans in Lower and Upper Egypt. Some of these projects have already been implemented on two million feddans and a schedule has been prepared to execute the remaining part of the plan during the second five-year plan. The funds allocated for these projects reach LE 315 million distributed over several years, the Minister added. [Text] [Cairo THE EGYPTIAN GAZETTE in English 20 Aug 85 p 2]

PORT SAID LAND RECLAMATION--The agricultural societies in Port Said governorate will reclaim 40,000 feddans south of Port Said, said Mr Hassan Ammar, the Assistant Secretary of the National Party in the governorate. These parcels of land will be distributed among eight agricultural societies. Moreover, the fish farms south of the city will be dried out except for 26 that have a proved efficiency in producing fish. The land of the dried fish farms will be distributed to squatters and new members of the societies. Each squatter will get 20 feddans and ten feddans will be given to the new members. A committee has been formed, headed by Mr Ali el-Megiri, the Assistant General-Secretary of the Governorate, to define the beneficiaries of the project, Mr Hassan Ammar added. [Text] [Cairo THE EGYPTIAN GAZETTE in English 29 Aug 85 p 2]

PREFABRICATED HOUSES--The project of mines and building materials in Sharkia governorate has managed to produce a new house which can be built within seven days by any family, said Mr Mohamed Lashin, the Director-General of the project. The house which consists of three rooms, is made of pre-fabricated walls and its cost is about LE 15,000. Citizens who desire to purchase the pre-fabricated house have to contract with the project of mine and building materials to inspect the site and work out the appropriate design. [Text] [Cairo THE EGYPTIAN GAZETTE in English 23 Aug 85 p 2]

JAPANESE CEMENT PLANT--Japan will establish a cement plant in Suez at a cost of 126 million dollars. A contract of building this plant was signed recently between Suez Cement Company and an industrial company in Japan. The productive capacity of this plant is expected to reach 1.4 million tons a year. This project will be financed by the Export-Import Bank of Japan, said a company official. [Text] [Cairo THE EGYPTIAN GAZETTE in English 26 Aug 85 p 2]

NEW NILE TUNNEL--It is expected to inaugurate the new tunnel of el-Galaa in October, said Dr Abdul Hamid Hassan, the Governor of Giza, during his inspection visit to the work site. The walls and the roof of the tunnel have already been completed and about 80 percent of excavation works and 60 percent of concrete works have been completed, said Mr Salah Hassab Alla, Chairman of Arab Contractors Company, implementing the project. About 23,000 cubic metres of concrete have been used in building this tunnel, at a total cost of LE 12 million. The tunnel will link the two banks of the Nile. [Text] [Cairo THE EGYPTIAN GAZETTE in English 3 Sep 85 p 2]

CALIBRATION SYSTEMS--The U.S. firm Sierra Research, a division of LTV Aerospace and Defense, has delivered two airborne calibration systems to Egypt for aerial navigation and flight control. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

AIRCRAFT ASSEMBLED--The Kader Factory for Developing Industries has completed assembly of its second Embraer Tucano EMB-312 trainer and ground support aircraft, delivered in kit form from Brazil at the end of 1984. The rate of production is now to move up to a "cruise" speed of 2 aircraft per month and is to be boosted to 4 per month in 1986. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

F-16 C, D PLANES--Under the terms of the Peace Vector II contract signed with the USA, General Dynamics is to deliver the first F-16C and D aircraft to the USA in Sept. equipped with the F-100-220 engine. They will undergo flight tests until Aug. of 1986 before entering service in Egypt. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

TANKS ORDERED--In Jan, 1985, Chrysler (USA) received a new order for 160 model M-60A3 battle tanks. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

SYSTEMS COORDINATION--As part of the 776 program, Hughes Aircraft (USA) has since July 1984 been in charge of setting up a 10-year program covering coordination of the Air Force's weapon systems with those of the Egyptian air defence. The equipment installed includes microprocessors and visual display screens as well as communications equipment. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

GRUMMAN E-2C ON ORDER--The first US Grumman E-2C early warning aircraft out of 5 on order is to be delivered in Sept. to the United States bases in Long Island where it will be used for training of flight crews with US Navy equipment. Following modifications for integration of the systems selected by Egypt, the aircraft will be operational in Egypt as of Jan. 1987. The second is to be delivered to the USA in June 1986. Further Egyptian technicians recently arrived in Long Island to join those undergoing training over the past year. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

GILFSTREAM MODELS RECEIVED--The Air Force took delivery in May of 2 US Gulf-stream model G III VIP aircraft. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

COASTAL DEFENSE--For coastal defence missions, Egypt is looking at the Airship 600 blimp equipped with a British radar system. The Airship can carry a 2,500 kg payload at 75 km/h over 1,019km. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

PIP TO BEGIN IN 1986--The PIP, Product Improvement Program, covering the 12 Hawk antiaircraft missile batteries now in service in the Air Defence mobile division is to begin at the end of 1986. The program, overseen by Raytheon (USA), will last 18 months. Following phase 2, phase 3 calls for the acquisition of 8 to 12 additional batteries. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

FIRST CONTRAVES RECEIVED--The Air Defence, which in Jan. received its first Contraves Skyguard-Sparrow antiaircraft battery out of 18 on order, will have 8 operational batteries in service as of next Oct. The first AIM-7F radar guided missiles were delivered in June, with the first validation firing scheduled for Sept. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

REGUNNING ORDER--Royal Ordnance (UK) has announced its first production order for the regunning of the Soviet-made T55 tank with the combat proven 17 105mm tank gun. The order, from the Arab Republic of Egypt, is worth more than 10 million pounds. This first order is the result of a collaborative agreement between Royal Ordnance and Egypt to evaluate and prove the regunning system. Designed as a kit, the system makes regunning from the original Soviet 100mm gun to the Royal Ordnance 105mm simple, fast and effective with minimal changes to the tank. Under the agreement both countries are jointly marketing the regunning kit. The 105mm gun is made at Royal Ordnance Nottingham, Eng. and it is intended that the kit will also be manufactured locally in Egypt. [Text] [Paris AFRICAN DEFENCE JOURNAL in English Aug 85 p 8]

CSO: 4500/214

LIBYA

BRIEFS

FRIENDSHIP SOCIETIES SEMINAR IN CYPRUS--A seminar of the Libyan Arab Friendship Society with Mediterranean countries will be held in the Cypriot capital between 4-6 September. The seminar will be aimed at studying means of bolstering the activities of the society for the benefit of people's relations between the Libyan Arab people and those of the Mediterranean region. The seminar will also discuss ways of establishing a union of friendship societies in the Mediterranean to participate in strengthening relations between various societies, undertaking of new activities aimed at strengthening and deepening these relations. The seminar will be attended by Libyan friendship societies with Italy, France, Greece and Cyprus. It will also be attended by the head of the friendship societies bureau at foreign liaison bureau and director of popular organizations. [Text] [Valetta THE JAMAHIRIYAH MAIL in English 31 Aug 85 p 2]

CSO: 4500/205

SUDAN

POLITICAL LEADERS DISCUSS NEW CONDITIONS

Premier Explains Transition Period

London AL-TADAMUN in Arabic 17-23 Aug 85 pp 37-42

[Interview with al-Jazuli Daf'allah, prime minister, by 'Uthman Mirghani]

[Excerpts] Three months have elapsed since the transitional civilian government assumed its tasks in the Sudan. This accounts for one quarter the transitional period, which was set at 1 year, ending next April. What has the government achieved during this period? Has it succeeded in standing up to the accumulated problems and crises? How does it view the trial of the former assistant to the president now underway in Khartoum, and other anticipated trials? How does it deal with the other power centers embodied in the parties, unions and military figures? What is the truth of the statement that is circulating concerning the entry of armed militias into the Sudan?

AL-TADAMUN brought all these and other questions to the prime minister, Dr al-Jazuli Daf'allah, and this conversation took place. It was held in his office in Khartoum and in the course of it he addressed himself to pressing issues and answered the questions that might be going about or circulating on the Sudanese streets.

AL-TADAMUN: Four months have now elapsed since the people's uprising and more than 3 months since your assumption of the tasks of your job. What have been the results of this period? What have you realized and achieved in the course of it?

Al-Jazuli Daf'allah: The passage of the 3 months in the government has taken place on the ruins of a regime which possessed much incompetence and much ability to sabotage. It is not to be considered an adequate period in which one can talk about government accomplishments that have been realized. In comparison with Western regimes and the American pattern, this sort of short period should be considered a "honeymoon." Three months or 100 days are considered a very short period. In the Sudan, individuals must not be held to account for that sort of period. Rather, the accountability must cover a longer period than that.

However, everyone is holding the brief transitional period to account, and they measure the results of its activity on that basis. Since the life of the transitional period is to be a year, 3 months is considered a long time, and it is here where the pressing nature of the question lies.

If the question is posed in an absolute form, one can say that we have formed a cabinet and have defined its areas of specialization. These things might be sufficient, but I would like to say that during this period we have managed to preserve democracy. No setbacks have befallen our democracy. The newspapers still exist and talk freely, indeed on some occasions in an unruly manner, and the parties also exist and are acting freely and democratically. Since we are continuing to proceed with this policy of the revolution, this is to be considered a good achievement.

The second thing is that we have caused the people to progress from the context of talking about the corruption of the regime to that of talking about its competence. There is no one in the Sudan today talking about the corruption of the regime -- rather, everyone is talking about what the regime has accomplished and whether that has been up to people's aspirations. This is a great leap, without a doubt. There are many other subjects set forth in the government's transitional programs which we have managed to carry out. Foremost among these subjects is the issue of the democratic transition. All the parties and unions are functioning in a total democracy. The Council of Ministers discussed the law on elections in one of its sessions, and it was sent to the public prosecutor for the purpose of formulating it and presenting it to the council in its final form. In addition, the technical committees have almost finished preparing the formulation of the press law, and it will soon be presented to the Council of Ministers for approval.

In another context, the Council of Ministers formed a committee to review the law on elections. Part of it is concerned with the representation of the new forces, and this committee has gotten in touch with the various political forces and asked them to offer their conceptions on this subject, especially as far as the representation of the new forces, their definition and the definition of the manner of their representation are concerned. The committee has received answers and recommendations from some parties.

As far as the economic situation goes, we have managed to reduce spending to the minimum and have cut back the administrative organizations. We have concentrated on the agricultural season and have provided it with every requirement, in the form of seeds, fuel and so forth. This has all taken place in the light of extremely difficult and intractable circumstances, since all the country's necessary requirements are barely available to it. However, we have concentrated essentially on the agricultural season.

We have also focussed attention on our expatriates, have established a secretariat general for them and have organized a conference for them to discuss their issues and the possibility of getting them to take part in order to help their country. At the expatriates' conference, we concentrated on the bothersome economic conditions in particular, and I have propounded a slogan for them, which is "A billion dollars to build up the home." They have taken note and accepted this challenge.

As a result of our efforts and our visits to Arab countries, including the Kingdom of Saudi Arabia and the Gulf countries, the Arab funds will soon assemble in Riyadh by directive of King Fahd Ibn 'Abd-al-'Aziz to review the subject of aiding the Sudan economically and attempting to build up the Sudanese economy. All these steps have been taken in the field of economics. With respect to the south, we for our part have taken many steps, including a unilateral cease fire and a return to the Addis Ababa agreement and the general amnesty. A letter has been sent to John Garang (whose text AL-TADAMUN is publishing elsewhere in the conversation) and we have tried to make contacts with him; though these contacts have not yet borne fruit we are still making the attempt, because we believe that peace in the Sudan, and peace in the south specifically, is considered important and necessary for carrying out development. We also want to stop the bloodshed, stop the economic hemorrhaging and complete the cycle of democratic transformation. For all these reasons, we want to solve the problem of the south in the context of the unity of the Sudan and through democratic dialogue. We are anxious to assimilate John Garang and the people with him in this process. However, unfortunately, we have not yet succeeded, and are still making the attempt. Whatever might happen, nothing will stop us, because the country's destiny, and that of the nation, cannot be contingent on a person or group. Consequently, the parties of the south and the north are continuing to support dialogue; the Anya Nya movement, which had been fighting until recently, also supports dialogue. We have decided to call for a national conference which will agree on the bases on which the solution to the problem of the south is to take place in the context of the unity of the territory of the Sudan.

As far as foreign policy goes, we have made amendments and changes in that. We have become a nation which shows concern for its own interests, is non-aligned and calls for a policy of good neighborliness. Pursuant to that, we have agreed to the establishment of good ties with Libya and Ethiopia. In the Arab context as a whole, we are advocates of unity and advocates of peace, not of enmity or axes. In the international context we are non-aligned, and we are friends with everyone, without being agents of anyone.

The Elections and Problem of the South

AL-TADAMUN: Do you believe that you will be able to carry out all the programs which have been set forth, including the holding of general elections and the transfer of power to an elected government at a stipulated time which has been set in advance?

Al-Jazuli Daf'allah: I believe that the basic priorities for the transitional period can all be carried out and realized if the solution to the problem of the south is carried out.

AL-TADAMUN: Does that mean that everything is contingent on solving the problem of the south?

Al-Jazuli Daf'allah: To some extent. I do not say that everything will be contingent on solving the problem of the south, but if such a solution exists, that will be the optimum situation. Even if the problem of the south

is not solved, the course of democracy must not be impeded in the Sudan, and an equation must be found for that. The equation will be difficult, but it is not an impossibility.

AL-TADAMUN: When I met you after you assumed the premiership last April, I asked whether a year was adequate for the transitional period. At that time you asserted that it was very adequate. Do you continue to hold this opinion, or has the experience of 3 months in government and acquaintance with its problems made you view a period of a single year as perhaps not being adequate?

Al-Jazuli Daf'allah: Yes, I believe that the period of a single year is to be considered adequate for carrying out the basic things in the transitional period.

AL-TADAMUN: Some people accuse your government of sometimes having preoccupied itself with somewhat marginal matters, while the country is facing a serious problem that threatens the lives of millions of Sudanese, the problem of drought and famine. In addition, the people are facing difficult challenges in this stage in order to secure democracy. What is your answer to that?

Al-Jazuli Daf'allah: Are there examples of such marginal preoccupations?

AL-TADAMUN: The examples being circulated in the Sudanese streets are numerous. Among them I might mention the issue of the resignations from the government and the noise which has accompanied these resignations, or the rumors of resignations on some occasions. There also is the talk about problems with the Union Grouping and disputes with the Military Council, in addition to the broad controversy going on concerning the subject of the trial of the leaders of the former regime, and much else.

Al-Jazuli Daf'allah: I do not agree that the government has preoccupied itself with marginal issues. All these things you have mentioned are problems and issues facing the government in its daily activity, and the government must deal with them. In spite of that, the government is not forgetting its preoccupations and it has never even for a moment forgotten the subject of the famine. It has not forgotten the subject of the democratic transformation, has not forgotten the problem of the south and has not forgotten the problems of the economy. However, all the other issues which arise in everyday activity are considered of that type of problem which one must deal with, but they are not diverting the government from its general orientation.

AL-TADAMUN: Might we understand from that that the arrangement of priorities has not varied or changed?

Al-Jazuli Daf'allah: Yes, and our priorities are as they were.

Confronting the Famine

AL-TADAMUN: What are your plans for coping with and containing the drought and famine, and their effects? [Text interrupted at this point]

Al-Jazuli Daf'allah: I do not believe so, but the grouping as a democratic force is trying to convey its opinion to the government, and by virtue of long-standing relationships among many members of the government and the Union Grouping it might on some occasions seem as if the government is inclined toward the view of the grouping or as if it is subject to pressures from it. However, that is not the true picture. The truth is that we read the political map and respect other opinions, including those we receive from the Union Grouping. We evaluate all these opinions and give them weight, then issue our decrees proceeding from our convictions and assume responsibility for them.

The Future of the Union Grouping

AL-TADAMUN: What is the future of the Union Grouping, in your opinion?

Al-Jazuli Daf'allah: In my notion, the Union Grouping must exist and be present during the transitional stage, because it embodies great weight and strength for the members of the National Grouping for the Salvation of the Nation. It is a force which supports and oversees the government, supports the course of democracy and helps put it on the proper course. Proceeding from this premise, the existence of the grouping during the transitional period is to be considered an essential matter.

AL-TADAMUN: What about after the transitional period?

Al-Jazuli Daf'allah: Following the transitional period, the subject will be open to individual thoughts.

AL-TADAMUN: Much talk has been raised recently about the subject of the dismissal of the lawyer 'Abd-al-Wahhab Muhammad 'Abd-al-Wahhab (Bob) from the chairmanship of the committee to hold an investigation into the leaders of the May 1969 coup movement and his imprisonment, after his name was included in the committee to defend the former assitant to the president Baha'-al-Din Muhammad Idris, whose trial is now taking place in Khartoum. What is your opinion on this subject?

Al-Jazuli Daf'allah: The public prosecutor has cited the facts related to this case in his statement, the case is now under investigation and I have nothing to add in regard to it.

AL-TADAMUN: Do you believe that it is possible to include this case among the disputes between the government and the Union Grouping, especially since some elements in this grouping are siding with 'Abd-al-Wahhab Muhammad 'Abd-al-Wahhab?

Al-Jazuli Daf'allah: The Union Grouping has not taken a stand against that of the government on this case, and I do not imagine that the case will create any breaches or difficulties in dealings between the government and the Union Grouping. It is necessary to look at the case in its legal context, on grounds that no one is above the law. If the public prosecutor has specific cases or charges against 'Abd-al-Wahhab Muhammad 'Abd-al-Wahhab, the law is above everyone, and there is no dispute about that. I do not

imagine that it is in anyone's interests for us to work to inflate this case or give it more than its normal weight. This is the case of a citizen who the public prosecutor considers has departed from the context of the law, and the matter does not need to be given more than this legal weight.

A Trial of an Era

AL-TADAMUN: Do you consider that the trial of the former assistant to the president, Baha'-al-Din Idris, which is now going on in Khartoum, is a trial of the former regime's May era?

Al-Jazuli Daf'allah: I believe that the trial of anyone who was arrested and on whom an investigation is taking place will constitute part of the trial of the previous era. The trial of Baha-al-Din Muhammad Idris, through the revelations it is making, will be part of the trial of the "May era"; the importance of these trials does not lie in retaliation alone -- rather, it also lies in the discovery and conveyance of information and facts to the people.

AL-TADAMUN: What about the other trials and the subject of the request which it has been said you have sent to the Egyptian government, demanding that the former president Ja'far Numayri be handed over?

Al-Jazuli Daf'allah: As far as the other trials go, the investigating committees are still working to complete their investigations into the persons who have been arrested. When they have completed their activities, the formation of the courts will take place and the accused will appear before the judiciary, where they will be tried in accordance with the law with the utmost fairness.

As regards the matter of handing over the former president, we have sent a memorandum to the Egyptian government demanding that he be returned and handed over to the Sudan.

AL-TADAMUN: Have you received an official answer to this memorandum?

Al-Jazuli Daf'allah: No, we have not received the answer.

AL-TADAMUN: In your capacity as prime minister, what is the extent of the veracity of the statement that is being circulated concerning a resignation submitted by the minister of defense, Maj Gen 'Uthman 'Abdallah?

Al-Jazuli Daf'allah: There is no veracity to any statement being circulated on that subject.

AL-TADAMUN: You talked recently about the need for representation of the new forces in parliament. Some people have answered you by stating that such a recommendation will serve only to provoke chaos and that it is nothing more than a personal opinion on your part. Is this actually your personal opinion, or is it the government's opinion?

Al-Jazuli Daf'allah: Getting the new forces to be represented in any parliament or constituent assembly which is formed in the Sudan is not a personal

opinion, and it is not the government's opinion. This matter, or what is required, is the opinion of the political forces which have signed the charter of the National Grouping for the Salvation of the Nation. There is a paragraph in that charter which talks about the need for the new forces to be represented. Since the subject was raised in the charter, since it has a relationship with the law on elections, and since this sort of subject cannot be resolved by the Council of Ministers alone, the government has formed a ministerial committee to get in contact with the political parties and learn their opinion with respect to the law on elections, in particular to learn their opinion with respect to the issue of the representation of the new forces. We sent memoranda to the various parties regarding that subject, and received replies from some of them, such as the nationalist al-Ummah Party and the Communist Party. The issue is one of government just as it is not a personal opinion which I have adopted. The political forces which signed the National Grouping to Save the Nation charter raised the matter; they are the forces which made the uprising last April. It is nothing more than merely a matter of intellectual positions which are being studied before the law on elections is set out.

The South Is a Domestic Issue

AL-TADAMUN: The issue of the south of the Sudan remains pending and unsolved. Where have your contacts with Col John Garang got? Will you request mediation from other neighboring countries to facilitate the treatment of the issue, or do you view it as a domestic issue which is to be solved without mediation from abroad?

Al-Jazuli Daf'allah: John Garang is a Sudanese citizen and the issues of the Sudan are ones which concern the members and people of the Sudan. Perhaps the optimum way of solving it is for the Sudanese to think jointly among themselves and arrive at a solution without requiring mediation from anyone. However, out of our feeling and awareness of the importance of solving the pending national issues, we will travel all the roads and channels which will help create a solution to this problem and cause peace to reign in the south.

AL-TADAMUN: Could the conference of national dialogue regarding the problem of the south be held without the participation of John Garang and his movement?

Al-Jazuli Daf'allah: Yes, this conference could be held without the participation of Col John Garang, but it would be more complete and better if it took place with it. Whatever the situation is, the Sudanese nation will not stand as a perplexed spectator regarding its future, waiting forever for any person or group of people. We must work for the sake of our future and work to create the framework which will guarantee this country's future and lead it to democracy. In my opinion, the conference on the south must be held.

AL-TADAMUN: If the problem of the south is not solved before the end of the transitional period, how will that affect the elections and the process of the transition of rule to an elected government?

Al-Jazuli Daf'allah: As I mentioned before, the failure of peace to return to the south will make the process of the democratic transformation more difficult, but we have experiences from the past which can be used as testimony on this subject. For example, after the October 1964 revolution, elections did not take place in the south because of specific circumstances. Elections took place at that time in the north and the other parts of the Sudan except for the south. This can happen again now if it is impossible to hold elections in the south or parts of it. It is possible to hold elections in all areas of the Sudan except for those where it is not possible to carry out the election process, and in such areas the elections can be delayed until peace is realized. I imagine that it will be possible to find a formula to guarantee that the course of democracy is not obstructed and the south is kept as part of the united Sudan. However, holding elections in some parts to the exclusion of others is not the best of solutions; perhaps the most suitable and the best is for us to reach peace in the south and hold elections in all areas of the Sudan. Thus a constituent assembly will come into being which represents all the Sudan and will set out a constitution representing all the hopes and aspirations of the Sudanese people.

AL-TADAMUN: How do you view the future of democracy in the Sudan?

Al-Jazuli Daf'allah: The future of democracy in the Sudan is promising and bodes well, but it is fraught with difficulties. The people who touched off and oversaw the April upheaval are undoubtedly people who have the abilities and capabilities to lead the course of democracy to its conclusion.

Relations with Neighbors

AL-TADAMUN: With respect to foreign relations and policies, how do you view relations with the other Arab countries, especially Egypt, Libya and Saudi Arabia? Do you find difficulties in maintaining good relations with parties with which conflicts or contradictions might exist?

Al-Jazuli Daf'allah: We have not met with any difficulties, because our dealings are founded on clear bases, which are the independence of the Sudan, its freedom of will and choice, nonintervention in the affairs of others and concern for mutual interests. From this premise, we deal with all neighbors and brothers without difficulties or touchy feelings.

AL-TADAMUN: The signing of a military protocol has provoked various reactions abroad, especially in Egypt. Have you received any requests for explanation or have you faced any protests on this subject?

Al-Jazuli Daf'allah: It is far from the actual situation to call the understanding which has been reached between the Sudanese defense minister and defense officials in the Libyan Jamahiriya a protocol or military relationship. When the Sudanese defense minister went to Libya, he received offers for military support for the Sudanese army on a limited scale. The talk about a protocol or alliances is far from the truth.

The Militias Are Unrelated to Our Situation

AL-TADAMUN: There is talk about militias and weapons coming into the Sudan. What is your opinion on this subject?

Al-Jazuli Daf'allah: The fact is that Numayri's regime, whose term extended for a long period, 16 years, compelled and pushed segments of the Sudanese people to bear weapons, and large groups of Sudanese trained themselves to use weapons. These groups also obtained weapons.

Now that this regime has been eliminated and a large segment of the people who were fighting abroad with weapons or in other ways have come back, some talk has been circulating that some bodies brought weapons into the Sudan or that weapons were concealed for use against the previous regime. However, our government at this moment does not have any categorical information on the presence or amount of such weapons. The talk about the subject is still in the stage of rumors whose veracity has not yet been investigated. It might be that this historic background does not rule it out that such weapons exist or that there are a large number of Sudanese who have trained themselves to use arms, but the presence of militias in the well known sense is something which is not in keeping with the nature of the Sudanese people or with their historic background. I consider it totally farfetched that matters should have advanced to this sort of situation, which would lead to the appearance of militias.

AL-TADAMUN: How do you summarize your government's positions regarding the Palestinian cause, the Lebanese problem and the Iraqi-Iranian war?

Al-Jazuli Daf'allah: As regards the Lebanese issue, Lebanon has been fated to suffer the problems of the Arabs and suffer the struggles of the international forces and part of the burdens of the Palestinian cause, and to have all these factors interact with one another and lead to a train of events which has touched off the Lebanese crisis in the way we are observing now, which has caused this small country to be transformed into an arena of conflict among various powers.

As regards the Palestinian cause, we consider that the Palestine Liberation Organization is the body which speaks for the Palestinian people, and we support it with everything we can, support its freedom of decisionmaking and keep it remote from axes and from fragmentation.

The Iraqi-Iranian war is destructive and painful and it is not in anyone's interests to talk about taking sides in it. Rather, it is necessary to talk of the need for stopping it, because it is destroying the powers of two Islamic countries. These are powers which must be invested in the service of the Islamic nation. Therefore, we must all strive to find a rapid solution to it, especially since there will be no victor or vanquished in it, since the international powers will not permit one party to be victorious over another. Indeed, the scheme which has been sketched out for it is for it to continue so that the powers of both Iraq and Iran will drain away. Therefore efforts must be consolidated to stop it.

Al-Jazuli Daf'allah in a Special Letter to Col John Garang: History Does Not Repeat Itself and Decisive Moments in the History of Nations Are Rare

AL-TADAMUN has received the full text of the letter the Sudanese prime minister, Dr al-Jazuli Daf'allah, sent to the commander of the rebellion in the south, Col John Garang, on 1 June 1985. Here is the text of this letter:

Dear John,

History never repeats itself and decisive moments are rare and hard to come by in the history of nations. Our country is now passing through such a period. This wonderful, powerful people have revolted in a popular uprising against their hateful, degenerate oppressors and their army sided with them at the crucial moment, thus avoiding bloodshed. So the Sudanese whose craving for freedom, democracy and dignity is unsatiable did it again in twenty years to the bemusement of the whole world.

You did your bit in paving the way for the revolution by the means available to you and the nation here appreciated that. Now Numayri and his defunct regime are no longer breathing over our shoulders. The Sudanese in the climate of freedom and democracy are entering into a serious dialogue about the future of our motherland and its complex problems with a genuine desire to settle them in a peaceful civilized manner. Your place is with us here and it is an honor that must not be missed. No body has a ready panacea for all our ailments. No body is satisfied with all we have achieved so far, but revolution is a continuous process. Together we succeed; fragmentation is the surest way to failure. The political field is now teeming with the future scenarios and your contribution can easily find a place in this mosaic.

I know that the whole Sudan is your concern but there is a chronic bleeding sore in the south since 1955. The government of the popular revolution is giving the solution of the southern problem top priority. The following points are not offered as a final solution to the problem, but as food for thought:

1. The national charter agreed upon by the trade unions federation, the political parties and the army stated that the southern problem should be solved within a nationwide regional framework in a united Sudan.
2. Commitment of all sides to Addis Ababa as a basis for running the affairs of the south for the time being.
3. The recognition of the cultural and ethnic characteristics of the south.
4. Acknowledging that the south is mostly underdeveloped, genuine efforts should be exerted to bring it to the level of parity.
5. Genuine religious awareness cannot be a divisive force. There are Moslems and Christians in the north and in the south, and some people do not observe either religion. Although the southern problem has not started with what are called the Islamic laws, I appreciate their effect on the problem. In the event of agreement on the other aspects of the problem, and I do not believe that these laws would be a stumbling block, other ways and means can be found as these laws and others are the subject of discussion now.

The south is now suffering from a serious famine, and people are dying of famine every day. The international community has offered sufficient help, but it cannot find its way to the starving people of the south because of the security situation. I ask you as a sincere patriot to extend this calm

3 October 1985

marred with anxiety over the battlefield to real armistice so that human aid can reach the needy. I give you my solemn pledge that this will not be exploited militarily and that nothing but food and medicines will be sent by the means of transport.

Although our beloved nation is a natural host for deliberations related to its problem, it is possible that a delegation can meet you anywhere to set out the foundations of purposeful dialogue. It will be a tragedy if the appropriate opportunities now are lost because of previous doubts and fixed positions.

Yours sincerely,

Dr Al-Jazuli Daf'allah
Prime Minister

Dissident Questions Regime's Intentions

London AL-TADAMUN in Arabic 17 Aug 85 p 43

[Article by Fath-al-Rahman Mahjub]

[Text] On the eve of his return to the Sudan after an absence lasting more than 2 years, AL-TADAMUN met with Dr Mansur Khalid, former minister of foreign affairs, who assumed a number of important positions during the regime of the former president, Ja'far Numayri -- among them the position of assistant to the president for foreign affairs and coordination. The meeting took place with him in his headquarters in the Ethiopian capital, Addis Ababa, while he was attending the recent African summit held there in the second half of July, by virtue of his work in one of the United Nations halls concerned with environmental affairs. It is well known that Mansur Khalid recently declared that he had worked closely with the Sudanese People's Liberation Movement (SPLM), which formed the Sudanese People's Liberation Army (SPLA), its military wing, which waged all-out war against the central government in 1983. From the framework of the meeting, from which we are excerpting the following portions, Dr Mansur Khalid did not answer some questions on this movement which (along with its military wing) is led by the dissident colonel, Dr John Garang, with whom the military government, with its civilian and military wings, and most influential Sudanese political figures, are still trying to negotiate, to no result. Indeed, Dr Khalid stresses explicitly and implicitly that he is talking in the name of this movement. Here is the text of the conversation with him.

[Question] Is it true that the Sudanese People's Liberation Movement (the political wing of the Sudanese People's Liberation Army) refuses to negotiate with the influential political figures who are now present in the country?

[Answer] It is not true. Representatives of the parties, the Labor Grouping and others have come to meet with the movement, so it is not true that it should be said that there has been no negotiating. What there must be are objective conditions for the pursuit of such a meeting. The lack of

seriousness among the persons who are coming to negotiate with the movement has been obvious. They go back to Khartoum to bid with one another over the issue, and make it a mere issue for self-aggrandizement in the papers. Aside from that, there is a point which reflects the inability to grasp the substance of the movement, which is nationalist and unificationist at a time when they are concerned with the problem of the southern Sudan. So let them solve the problem of the south. There is a more comprehensive national issue and other problems besides the problem of the south. There is the problem of the pattern of development, the role of the modern sectors, the training of cultural specialists within the union and the issue of religion. There is the issue of national dialogue related to the future of the Sudan as a whole. Even if the transitional government arrives at an agreement, its tenure will be limited. Therefore we want all political forces to take part in the dialogue and commit themselves openly to its conclusions.

Therefore what we consider appropriate is not negotiation between north and south but a national front and a comprehensive dialogue over the issues of the nation in which the movement and the political forces in the north of the Sudan, the army, the Council of Ministers, the Union Grouping and existing political parties will take part.

[Question] Why hasn't Col John Garang yet come back to Khartoum?

[Answer] Many mistakes occurred which might have had a psychological effect. This is my own analysis and not of necessity the opinion of Col Garang. For example, at the beginning of the April movement the man anticipated that a plane would come to the southern Sudan to take Col Garang to sit on the Military Council. The justification for the presence of the Military Council in the government is that the army went over to the people, which is what Garang and his group had been doing for a long time. The Union Grouping chose some figures who had an effective role and force on behalf of their unions, and in spite of the role which our movement played in bringing Numeiry down, we were not considered. I interpret this as a result of the arrogant position that we should permit mistakes for ourselves and neglect and try to hold others to account for what we consider mistakes. However, there of course still is a way out of this situation. That may be summarized by having the bidding stop and getting people to acknowledge that the movement is a national one which took place to deal with the Sudan's national problems and not the issue of the south only. All Sudanese can join this movement.

[Question] Do you consider that a role exists for the mediation process or probable efforts on the part of some countries or other bodies to lead the movement and the Sudanese political forces out of this situation?

[Answer] We are seeking direct dialogue; I do not believe that there will be a solution without it. We are not against having something done by means of some people's good efforts, but we consider that the requisite solution lies in direct contacts and before all else the objective circumstances must exist for holding this national dialogue on the future of the Sudan. We must solve our problems together as Sudanese within the boundaries of the Sudan. We must agree on the agenda and the dialogue must take place, and in this context I do not believe that John Garang will fail to appear.

[Question] It is said that you want to reach power and authority via the Sudan's weak point, that is, the south, through force. Why don't you come back and pursue your activity through the ballot box within the multi-party system?

[Answer] That is not true. My thoughts are present in Khartoum. We do not expect and are not asking for secession. What has happened is that we have moved out of the southern Sudan. The real secessionists are the ones who went to the south and asked it to choose its representatives in the transitional government. The movement, as I have said, is national and unionist and transcends religious, racial and cultural schisms in its conception. As regards the use of force, that is a reaction to specific positions. Our movement has had its military wing (the Sudan People's Liberation Army) for some time. In the absence of political scope it is natural that any political group should resort to force and violence. There have been many examples, such as the Movement of the Children of the West, coup attempts and various terrorist operations. As to the talk about going back to the Sudan and the ballot box, I ask, is the movement outside the Sudan? You cannot talk with me about a ballot box if you cannot move food and supplies to the southern Sudan. How will these elections take place? The movement actually exists inside the Sudan and it has a presence abroad for purposes of foreign communications, in London, Addis Ababa and Nairobi.

11887

CSO: 4504/471

SUDAN

COURT HEARS FORMER MINISTER'S TESTIMONY

JN061050 Khartoum SUNA in English 1015 GMT 6 Sep 85

[Text] Khartoum, Dhu-al-Hijjah 21, 6 Sep (SUNA)--The state security court trying Baha'-al-Din Muhammad Idris, former assistant to the ousted President Numayri for presidential affairs, Tuesday heard testimony of Ibrahim Mun'im Mansur, the former minister of finance and economic planning.

Mansur testified that the \$200 million loan was the biggest ever Sudan had received. Mansur told the court the original plan had been aimed at obtaining \$100 million to be used for setting up a development corporation, said Mansur, who was the last witness of the prosecution.

He said Numayri later on said the loan was concluded through the agency of Khashuqji who would receive a commission.

Mansur said he told Numayri the loan agreement was ordinary when the latter summoned him to review the documents of that agreement.

He said he also told Numayri that the linking of the interest rate to the fluctuating demand and supply, would place the country in an "unpleasant condition."

Mansur testified that both Numayri and Khashuqji told him that the loan might later on turn into a grant, but for the time it had to be set in a legally-abiding agreement for fear that other Arab loan-recipient countries might demand the same favour from Saudi Arabia.

He said when Sudan failed to meet its commitments towards the loan the Saudis demanded its inclusion among the debts to be rescheduled [words indistinct] the Paris Club agreement.

He said those agreements are still effective and would continue to be so if not cancelled by the forthcoming riyadh conference which would discuss financial support discuss financial support for Sudan.

CSO: 4500/200

SUDAN

BRIEFS

FURTHER DEFECTIONS TO REBEL FORCES--Radio SPLA correspondent in Bahr El Gazal administrative area has informed us that more defectors from the governments Armed Forces and its police and prisons units in addition to a number of government officials and students have reported themselves to the headquarters of Rhino Battalion. [Excerpt] [(Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 2 Sep 85 EA]

SIWAR AL-DHAHAB VISIT TO KENYA--Khartoum--It has been alleged that the Sudanese military leader, General 'Abd-al-Rahaman Siwar-al-Dhahab, made a secret visit to Kenya for talks with President Moi to seek assistance in his efforts to bring about peace with the country's rebels operating in southern Sudan. A Sudanese newspaper reports that President Moi contacted the Sudanese opposition leader, Colonel John Garang, after last month's talks between him [President Moi] and Gen Siwar al-Dhahab. The newspaper says that the opposition movement of Col Garang is preparing to hold a meeting in Ethiopia this week to adopt a common stand in readiness for talks with the Sudanese Government. Gen Siwar al-Dhahab, who ousted the former Sudanese president, Jafar Numayri, last April, said that presently the main problem is to find a solution to the prevailing situation in southern Sudan. [Text] [Dar es Salaam Domestic Service in Swahili 0700 GMT 3 Sep 85 EA]

FURTHER REACTION TO GARANG--In a press statement today, member of the Transitional Military Council and minister of defense, Major General 'Uthman 'Abdullah Muhammad, stated that Colonel John Garang's statement broadcast by Sudanese People's Liberation Army Radio yesterday was considered as an encouraging sign and acceptance in principle of the (?ministerial) political statement. He said that he hoped that [word indistinct] statement made [words indistinct] based on the ceasefire declaration on the part of Garang's forces and maintaining their present positions. The defense minister said that the ceasefire declaration meant that river routes could be reopened and most of the obstacles to transporting of provisions to Equatoria removed, in addition to the freedom of movement in the Jonglei and Lakes Governorates. He said that it does not seem that there will be a long wait for Col Garang's views regarding preparations for dialogue with political forces. He added that the question of setting a date and place is not believed to cause differences. Regarding direct dialogue between commanders of the southern garrisons and areas and commanders of Garang's forces, he explained that the issue has not been fully

studied at the General Command because it was contrary to the position of [word indistinct] Operations Command, but the whole issue hinged on Garang's forces good intention and kind words, and only then area commanders' (authorisation?) could be reconsidered. [Text] [Omdurman Domestic Service in Arabic 1930 GMT 4 Sep 85 LD]

CSO: 4500/200

BAHRAIN

BUDGET FOR 1986-1987 RELEASED

Manama AKHBAR AL-KHALIJ in Arabic 30 Jul 85 pp 1, 2

[Interview with 'Isa Burashid, deputy minister of finance and national economy, by Lutfi Nasir: "1.1 Billion Bahraini Dinars for Expenditures in the New Budget. The Budget for the Next 2 Years Will Be One of the Biggest in the History of Bahrain]

[Text] Preliminary estimates of the new state budget for the 2 years 1986/1987 indicate that it will be one of the biggest budgets in the history of Bahrain. The preliminary figure for expenditures in the new budget is estimated at 1.1 billion Bahrain dinars. Eighty-one percent of the total allocations of the budget will be channeled to expand and develop the housing, health, education, electricity and the roads and sewers sectors in implementation of the government's policy of concentrating on providing basic services to the citizens. Mr 'Isa Burashid, the deputy minister of finance and national economy made this known to AKHBAR AL-KHALIJ.

He said: "Most of the ministries of the state have finished preparing their new budgets and they will be submitted to the council of ministers in November 1985.

"GDP estimates for the past year have revealed a real increase of approximately 6 percent, and this and the success of the policy of the state in diversifying sources of revenue has enabled the Bahraini economy to confront the big changes that occurred in the petroleum sector.

"The policy of rationalizing governmental outlay which the state began to implement from 1983 has achieved positive results with the reduction in the rate of increase of recurring expenditures from 29 percent in 1982 to 5 percent in 1983, 3 percent in 1984, 3.4 percent in 1985 and a projection of approximately 2 percent in 1986. The state was able to divert this reduction in recurring expenditures to projects providing basic services to citizens.

"Indirectly, the state began to involve itself in correcting the economic course of the private sector as a result of the drainages of the current economic conditions. It was decided to stop the construction of buildings for governmental organizations as a deduction from the budgets of the ministries,

to enable the ministries to rent from the private sector and absorb part of the surplus in the real estate sector."

The Text of the Interview

Mr 'Isa Burashid, deputy minister of finance and national economy, gave an important interview to AKHBAR AL-KHALIJ and spoke about the new indicators in the state budget for the coming 2 years. He also spoke about the positive effects of the implementation of the policy of rationalizing outlay. The interview also touched upon the coming steps in the area of economic coordination among the Cooperation Council states. He referred to the steps taken by the state to involve itself indirectly in correcting the course of the private sector to treat the drainages resulting from the current economic conditions.

Our interview with Mr 'Isa Burashid, deputy minister of finance and national economy began as follows:

[Question] What has been done up until now regarding the new state budget for the 2 years 1986/1987?

[Answer] Most of the ministries of the state have finished preparing their new budgets according to the instructions previously issued by his highness the prime minister in this regard, and they form the bases for preparing the budget for the next 2 years.

These instructions were primarily directed at rationalizing outlay in order to provide the financing and the materials necessary to proceed with the pursuit of economic and social development in Bahrain. All the evidence indicates that this aim will be proficiently achieved in the new budget.

[Question] Does the emphasis on rationalizing and suppressing outlay entail a reduction in the budget figure?

[Answer] Not in the least. Rationalization does not mean that at all because it is directed at only recurring, unnecessary or unimportant expenditures. In regard to the size of the budget figure for the next 2 years, the initial indicators that are available to us suggest that the budget for the next 2 years will be one of the biggest budgets in the history of Bahrain. Most of the new increases in the budget will be channeled towards basic services projects like housing, health, education, electricity, water and roads and sewers. These preliminary figures also indicate that approximately 81 percent of overall expenditures will be channeled to expand and develop the housing, health, education, electricity, water and roads and sewers sectors.

This course proves that the basic policy of the government of the state of Bahrain concentrates on providing basic services for citizens, and that there will be a greater concentration on this policy --which was actually being implemented in the past-- during the coming stage.

[Question] Is the next budget going to be one of the biggest budgets in the history of Bahrain in numbers or in content?

[Answer] We expect overall expenditures to be in the area of 1.1 billion dinars for the next 2 years (1986/1987), while overall expenditures for the 2 years of 1984/1985 were in the area of 1.07 billion Bahrain dinars.

Growth of the Bahraini Economy

[Question] What are the statistical indicators of the growth of the Bahrain economy in spite of the present economic conditions?

[Answer] I would like to state that the GDP estimates for the past year have shown a real increase in the area of 6 percent. If this is an indication of anything, then it is an indication that the Bahraini economy has been able to confront the big changes and falling prices that have occurred in the petroleum sector. It is also an indication that the wise policy of diversifying sources of national income, which the government of Bahrain has pursued for the past 20 years, has proven its success.

[Question] What about coordination in the Gulf in the area of economic and financial matters during the coming stage?

[Answer] During the collective meetings of the countries of the Gulf Cooperation Council, work on coordinating the financial policies of the countries of the council in the coming stage will be completed, especially in the area of expanding economic cooperation between the countries of the cooperation council by continuing the implementation of the unified economic agreement and making this implementation more comprehensive so that the countries of the cooperation council will be transformed into an integrated economic unit.

The Results of Implementating the Policy of Rationalizing Outlay

[Question] What has the policy of rationalizing and suppressing outlay achieved in governmental agencies up until now?

[Answer] It had, of course, positive results and indicators including the following:

In 1981, recurring expenditures increased by approximately 20 percent. I mean by this the operating expenditures for the administrative agency of the state. In companies and establishments, they call them operating expenses. We also observe that in 1982, these expenditures increased by approximately 29 percent. After the implementation of the policy of rationalization, the increase in expenditures fell to only 5 percent in 1983 and 3 percent in 1984. According to the indicators, it will be in the area of 3.4 percent in 1985 and we expect only a 2 percent increase in expenditures in 1986.

The policy of rationalizing outlay has therefore enabled the government to lower substantially the rate of increase in recurring expenditures, especially operating and administrative expenditures. More important, the government has been able to divert the amounts of achieved expenditure reductions to finance more development and services projects.

[Question] When exactly is the draft of the new state budget for the next 2 years going to be completed ?

[Answer] I expect that the final draft of the new budget will be ready in the beginning of November 1985 and it will be submitted to the council of ministers in the same month.

[Question] Demands are being made regarding the necessity of involving the state in correcting the economic course in favor of the citizens after some have been affected by the current conditions?

[Answer] The state can indirectly involve itself in this area in order to correct the consequences of current economic conditions in the private sector. The state has actually begun to take indirect steps in this regard. The Ministry of Finance and National Economy has made a recommendation to the council of ministers, for example, to cancel projects for building new offices for ministries from allocated budgets, with the condition that the ministries undertake to rent from the private sector. The council of ministers has actually approved this recommendation.

By this decision, the government will be able to absorb the surplus in the real estate sector. This is what is designated as indirect involvement by the state to correct the economic course in the private sector to favor the interests of the citizens.

12775
CSO: 4404/441

BAHRAIN

MINISTERIAL COMMITTEES SET NEW ECONOMIC STRATEGY

Manama AKHBAR AL-KHALIJ in Arabic 19 Jul 85 pp 1, 10

[Article by Usamah Mahran: "New Economic Strategy for Bahrain. Several Ministerial Committees To Set the Strategy and Follow It During the Next 10 Years. Steps to Develop All Sectors, Diversify the Economic Structure and Prepare National Cadres"]

[Text] AKHBAR AL-KHALIJ has learned that ministerial committees from several ministries are presently setting an economic strategy for Bahrain that is to be followed, from inception, for the next 10 years. This strategy aims at creating the means that can ensure conformity to current economic conditions, implementing a definite plan to develop the industrial, agricultural, commercial, financial, manufacturing and banking sectors and achieving growth averages that are in harmony with the data of the present and coming stages.

This strategy also aims at achieving an increase in the diversification of the economic structure and at overcoming the stagnation that has overtaken some sectors, working to invigorate them so that they may be able to absorb the expected increase in the numbers of young local cadres in the future and to find suitable jobs for them.

AKHBAR AL-KHALIJ has learned that these ministerial committees have been formed from some of the country's ministers, each according to his area of expertise. In addition to its role as coordinator between the various ministries, the Ministry of Finance and national economy is playing the role of information supplier for the committees. It has also been learned that some of the ministerial committees that have actually begun to prepare for this strategy are the financial services committee, which includes the banks and the insurance sector, and the agricultural, industrial development and trade committees. Some qualified personalities from the private sector and the country's financiers are also participating in setting this strategy.

12775

CSO: 4404/441

3 October 1985

BAHRAIN

MINISTER SAID INVOLVED IN PROSTITUTION NETWORK

GF081737 Tehran AL-SHAHID in Arabic 21 Aug 85 p 14

[From the "From Here and There" page]

[Text] The magazine AL-THAWRAH AL-RISALIYAH has published an exclusive report about a corruption network in which the ruling family in Bahrain is involved. The report says:

In a Manama suburb there is a den of prostitution run by the al-Khalifah's education minister, 'Ali Fakhru. This den is regularly frequented by government ministers, members of the al-Khalifah family, and some members of well-off families. Fakhru is assisted in running this network by an Indian doctor who works in al-Muharraq, whose name is (Sak Ra) and who visits the internal unit at the al-Salmaniyah Hospital from time to time. The network consists of 32 Korean prostitutes, 25 of whom were brought in early 1982 under an agreement signed in August 1981 between the then health minister, 'Ali Fakhru, as a representative for the Health Ministry, "this is unusual," and Mr (Edmundum Oder) as a representative for the Eastern Services Agency, which is a Korean agency. [sentence as published] The eastern agency received about 600 Bahraini dinars for each girl," this being a special price." [sentence as published]

To cover up the presence of these prostitutes in Bahrain, 'Ali Fakhru employed them as nurses at the al-Salmaniyah Hospital, and this is the profession declared in the Health Ministry agreement. In order to justify their accommodation in a private residence separate from the Korean nurses' residence, the Health Ministry continued its farce by saying that these nurses were employed under an agreement with a private company and that the ministry is not responsible for housing them. Early last July, seven Korean nurses were hired and they were put with the Korean prostitution network under a similar agreement with the Eastern Services Agency. Miss (Manta Klim), a 21-year-old nurse, was among this group. The incident which exposed this network was a quarrel between (Manta Klim) and (Sak Ra) at the al-Salmaniyah Hospital on the morning of Saturday, 13 July 1985. After the quarrel in which (Sak) left the hospital angry, (Klim) confided to one of her colleagues about the presence of a prostitution network in Manama, comprised of Korean girls. (Klim) said that the reason behind her quarrel with (Sak) was her refusal to carry out his orders, and consequently Fakhru's orders, to practice prostitution in the

corruption den in which she was placed. (Klim) added that she was deceived by the Eastern Services Agency into joining network and regarding her agreement with the agency that she would be brought into Bahrain to work as a nurse and nothing else. The following day, all were surprised to learn about (Klim's) disappearance without warning or notification. Reports circulated that she was deported to Seoul.

This incident is not of great importance. At least it made us learn something new about the al-Khalifah's world of corruption.

CSO: 4400/248

3 October 1985

IRAQ

MASSIVE INDUSTRIAL DEVELOPMENT PROJECTS DESCRIBED

Baghdad AL-QADISIYAH in Arabic 11 Jul 85 p 4

[Article: "Big Developments along the Road To Building a National Base for Our Resurgent Industry: New Industrial Projects under Construction at a Cost of 1.9 Billion Dinars"]

[Text] The Ministry of Industry and Mines has witnessed great developments in the course of its progress during the life of the revolution. The revolution's strategic goal was to build a national base for industry which would shake off the dust of backwardness and neglect our industry had suffered from in past eras. The leadership's unlimited support gets the credit for the development our industry has reached, which every citizen can be proud of.

The total sums spent on the ministry's industrial projects that have been carried out since the revolution was held have totalled 1.8 billion dinars, while the cost of the projects under construction now is 1.49 million dinars.

The production value of the installations belonging to the ministry at present came to 300 million dinars in 1982, while the value of its products in the first year of life of the revolution was 60 million dinars, including industrial installations outside the scope of the ministry as well.

The General Industrial Design and Construction Organization is one ministry organization which has carried out all the industrial sector's national development plan projects for various sectoral industries. In spite of the immensity of this task, the organization has carried out most of these activities at good levels, and their yield has been dozens of high technology industrial projects with large capacities in terms of volume and investments; these can be considered to number around 190, most of which have been built, such as the cement, petrochemical, iron and steel, paper and construction industries such as cement, floor tile and gypsum, thermstone, machinery, food and textile industries in addition to the organization's performance of 390 economic and technical feasibility studies for various industrial projects.

Because of the need of the country's socialist industrial sector to house the people affiliated with it close to existing industrial plants, or plants which have been built, because of the importance of linking up the housing projects to the industrial projects, it has assumed the task of constructing industrial housing, considering it a segment supplementing the industrial projects and a factor influencing productive activity and the regular course of their planned productivity.

The number of units the organization has built has come to 3,050 houses and 1,324 residential apartments in which the best facilities for living and comfort are provided, in addition to the construction of numerous service departments, schools, kindergartens and nurseries.

The General Machinery Industries Organization which was formed in 1970, beginning its activity with just two agencies, now contains nine agencies in which there are 28 factories, distributed among the various governorates, in addition to an institute specializing in machinery industries, a single service installation and four vocational training centers.

The organization is now manufacturing 40 main products, including tractors, vehicles of various capacities and sizes, electric transmission systems of various capacities, wires, cables, iron, steel and aluminum products, iron structures, linings, chains and steel spools used in construction industries.

Sales realized a rate of increase of 13 percent and production rose by 54 percent last year as compared with 1979. The General Electricity Organization has experienced great achievements in the course of the revolution, since the capacities of the generating plants increased by 996 percent in 1984 as compared with 1968. Major electric transmission systems have increased by 944 percent.

The General Electric Distribution Department in Baghdad has assumed charge of the task of establishing and maintaining distribution systems and transmitting electric power to consumers within the distribution systems. It has realized a substantial development in past years, since major transmission systems in 1982 came to 714 megawatts, having been 156 megawatts in 1968, as a result of direct construction, that is, a rate of increase of 357 percent.

It also effected a replacement of the city of Baghdad systems with designs calculated to 2000. The General Rural Power and Electrification Department up to the end of last year managed to supply electricity to 4,850 villages distributed among the various governorates of the country, which more than 4 million citizens benefited from, whereas the number of villages supplied with electricity before the revolution in 1968 did not exceed 250. Meanwhile, the department is planning to supply electricity to 435 villages with a total of about 20,257 houses in the present year. This will require cables and wires more than 1,100 kilometers in length of the same construction as the lines feeding them.

Meanwhile, the General Electricity Organization is continuing to accelerate the construction of numerous projects, including the special project to

survey and design hydroelectric plants in the country for the period after 2000, the project to introduce the development of the optimum electricity system at the end of the same year and in addition projects to provide electricity to the marshes, studies on long range planning for distribution systems for Baghdad, the present and future of electric tariffs and control of the electric load.

The General Chemical Industries Organization also witnessed noticeable, conspicuous development, since the agencies belonging to it came to five in number, including a factory, in addition to the institute of industry (which is in charge of graduating intermediate technical personnel) and produces 12 products, most conspicuous of which are chemical fertilizers, rubber tires of various types and sizes, plastic pellets, compressed wood, paper and cardboard of various sizes and types. The annual rate of growth of the value of the organization's production came to 364 percent the past year as compared with 1976.

The ministry has devoted special attention to overall research and administrative development; the research and development departments are 21 in number, working to increase the introduction of locally-derived technology into industry on bases of sound scientific planning and also through the preparation of detailed annual plans for research projects which the industrial agencies in the ministry lead and carry out.

Some industrial achievements happened to stand out and lead to patents and many of these were used in design preparation and execution; these included the project to extract sulphur from sulphur wastes and the project to use cane in the manufacture of paper bags for cement and compressed wood, in the area of the guidance of use of raw materials for processing. In the area of material, machine and equipment protection, an international patent has been obtained with regard to the protection of sponge iron from oxidation and the study of the prevention of erosion and treatment of its effects in our factories and the project to use aluminum scrap waste, melt it down again and pour it to produce ingots and rods.

Iraqi technical personnel have also come up with the development of harrows (on which field tests have proved their success) and the manufacture of cranes with joints and hydraulic cranes and their installation on 'Antar tractors.

One of the most conspicuous objects of industrial pride has been the execution of the project to reclaim sulphur and produce sulphuric acid from sulphur refining wastes, which was carried out with reliance on an Iraqi patent executed in the country for the first time. The success of laboratory and semi-industrial tests which were carried out on sulphur refining wastes has also been proved and they have been applied in the field, where the refuse which contains a percentage of mined sulphur was removed, so part of the sulphur could be reclaimed, and the remaining portion was converted to sulphuric acid. In addition, the problems of pollution of the environment and fires which the wastes had caused were eliminated.

3 October 1985

JORDAN

STUDY ON JORDAN-PLO AGREEMENT IS ISSUED

Amman AL-DUSTUR in Arabic 13 Jul 85 p 2

[Text] Dr 'Ali Muhafazah, president of Mu'tah University, has issued a study, the first of its kind in Jordan, on the Jordanian-Palestinian agreement that took place between the Hashemite Kingdom of Jordan and the PLO on 11 February of this year.

The 60-page study deals in detail with the historical background to the agreement, and the stages and events that the PLO has gone through since the Israeli invasion of Lebanon.

It also deals with President Reagan's peace plan, the resolutions of the Arab summit conference in Fes, and the positions of the various parties to the Arab-Israeli conflict towards plans for political solutions to this conflict. It deals with the efforts Jordan has made and is still making to convene an international peace conference on implementing the Security Council resolutions on the occupied Arab territories, which would achieve an Israeli withdrawal from these territories, and uphold the legitimate rights of the Palestinian people and their nation.

This study falls within a completely scientific and objective framework, which makes it an important authority on its subject that no researcher or historian can do without.

12547

CSO: 4404/438

JORDAN

UPCOMING PLAN INVESTMENTS OF 4 BILLION DINARS SUMMARIZED

Amman AL-DUSTUR in Arabic 20 Jul 85 p 7

[Article: "5-Year Plan Investment of 4 Billion Dinars To Be Distributed Equally between the Public and Private Sectors"]

[Text] Studies which have been prepared on the coming 5-year plan have estimated the volume of investments during the plan period at a total of 4 billion Jordanian dinars, distributed equally between the public and private sectors.

A study prepared by Dr 'Ali Qandil, economic consultant to the Central Bank, pointed out that the outlines of the 5-year plan for the years 1986-90 will seek to embrace the principle of economic freedom, the assignment of value to individual initiatives and the provision of an investment climate and suitable incentives to encourage the private sector to perform its role in bringing about development.

The study pointed out that the general goals of the coming 5-year plan, in initial form, are defined by the following goals:

The realization of an annual real gross domestic product growth (in 1985 prices) of 10 percent.

The continued effort to change the structure of the domestic economy in favor of the commodity production sectors, accompanied by the continued effort to develop basic services.

Effective participation in the Arab development decade and the strengthening of Arab economic activity and Arab development activity.

An increase in the surplus of local revenues in the general budget over government current expenses to cover an increasing share of government capital expenditures.

A reduction in the trade deficit through the acceleration of rates of growth of domestic exports and limitation in the growth of imports.

The continued process of adapting the economy to the new circumstances which have contributed to regression in the domestic economy, by:

Working to raise the administrative competence and functional performance of the government's industrial production and public administration activities.

Adopting a national strategy for subsidizing Jordanian exports and implanting the bonds of economic cooperation and trade with Arab and friendly countries.

Furthering possibilities for the optimum use of the country's financial and natural resources through control of current cash flows of foreign currency and orientation of the receipts of those toward the best and most promising means of investment, and, with respect to natural resources, continuing the current platform, which is embodied in strengthening the use of domestic industrial production relying on commodities enjoying relative advantages.

Restimulating the agricultural sector in Jordan in order to increase its contribution to attainment of aspirations to self-sufficiency in food, by increasing investments made in this sector and intensifying agricultural guidance efforts aimed at applying practical methods and crop cycles in agricultural production.

Supporting the Jordanian tourist sector, encouraging the tourist industry in the desire to create more domestic tourist activity and preparing means to guarantee that incentives are created to attract foreign tourist activity to Jordan.

Supporting the contracting and construction sector to complete the necessary infrastructure facilities, to make the economic and social development process a success.

Continuing to seek to provide basic needs for citizens and limit the difference among regions.

Developing the workforce qualitatively and quantitatively.

11887

CSO: 4404/435

JORDAN

HOUSING PROJECTS IN UPCOMING 5-YEAR PLAN TABULATED

Amman AL-DUSTUR in Arabic 20 Jul 85 p 3

[Article by Ahmad Shakir: "Among the Projects in the Coming 5-Year Plan: The Construction of 11,275 Housing Units at a Cost of 131 Million Dinars"]

[Text] The Housing organization's 5-year plan includes the construction of 11,275 housing units at a cost of 131 million dinars.

Organization sources said that the Housing Organization's 1986-90 5-year plan includes prominent features, most important which are the construction of the residential city for Queen 'Aliya' International Airport, a housing project for al-Zarqa' government employees totalling 500 units, a project for Irbid government employees totalling 500 units, and a project for the employees of the town of Irbid totalling 500 units.

The new Housing Organization 5-year plan will depend on the sources of financing available to the organization, principally on the organization's revenues from projects which it has established and distributed among citizens.

The number of units to be built during the 5-year plan are 11,275, costing an estimated 131 million dinars, distributed among the governorates as follows:

The Governorate of Amman, 6,650 units.

The Governorate of Irbid, 2,600 units.

The Governorate of al-Balqa', 925 units.

The Governorate of al-Karak, 500 units.

The Governorate of Ma'an, 600 units.

These projects will cover basic government employee housing needs for the most part and will answer part of the housing need in the kingdom; since the private sector will contribute the solution of 25 percent of the housing problem in Jordan.

The organization will provide 25 percent of the housing requirements.

Herewith are the details on this plan:

Capital Governorate Projects

Projects on whose construction a start was made before 1986:

The Abu Nusayr residential city, first stage: the first stage of Abu Nusayr city includes 3,698 residential units distributed among 16 models with a total construction area of 842,842 square meters. The costs of providing the residential buildings came to 45 million dinars, 35 million dinars of which will be spent by the end of 1985.

Al-Batrawi-al-Zarqa':

This includes 500 housing units, distributed between two models with a total construction area of 56,500 square meters. Their costs are estimated at about 6 million dinars, of which 2 million dinars will be spent in 1985 and 4 million dinars during the plan years.

The Queen 'Aliya' International Airport residential city:

This contains 3,000 housing units distributed among a number of models, whose overall costs are estimated at about 36 million dinars.

The housing projects in the towns:

These include 2,100 housing units to be constructed in the main towns in the capital governorate to cope with the population growth, urban expansion and increasing numbers of government employees; the costs are estimated at about 25.2 million dinars.

Rural housing projects:

These include 1,050 housing units to be constructed in the villages of the governorate to cope with the increase in the population and provide suitable housing for farmers alongside their agricultural lands. The costs are estimated at about 12.6 million dinars.

The Governorate of Irbid

Housing projects on whose construction a start was made before 1986:

The second stage of the Zibdat Farkuh project:

This contains 500 housing units over a total building area of 56,500 square meters. The costs are estimated at about 6 million dinars, with 2 million dinars to be spent in 1985 and 4 million dinars to be spent.

Housing projects in the towns:

These include 1,050 housing units being constructed in the main towns in the governorate to cope with the numerical increase in the population, urban expansion

and the increase in the government employees working in the departments located there. Costs are estimated at about 4.5 million dinars.

Rural housing projects:

These contain 25 housing units established in the villages of the governorate to cope with the numerical increase in the population and provide suitable healthy housing for the farmers alongside their farmland. Costs are estimated at about 1.5 million dinars.

Ma'an Governorate

Housing projects in the towns:

These contain 250 housing units established in the main towns in the governorate to cope with the numerical increase in the population, the urban expansion and the increase in the number of government employees working in the departments located there (except for the city of al-'Aqabah). Costs are estimated at about 3 million dinars.

Housing projects in al-'Aqabah:

These contain 175 housing units to cope with the numerical increase in inhabitants in the form of the numbers of people working on productive development projects. Costs are estimated at about 2.1 million dinars.

Rural housing projects:

These contain 175 housing units built in the villages of the governorate to cope with the numerical increase in the population and provide suitable healthy housing for the farmers alongside their farmland. Costs are estimated at about 2.1 million dinars.

11887

CSO: 4404/435

JORDAN

STATISTICS DEPARTMENT ISSUES OVERALL TRADE FIGURES

Amman AL-DUSTUR in Arabic 5 Aug 85 p 7

[Article: "In a Bulletin Issued by the General Statistics Department:
Jordanian Exports Valued at 290.7 Million Dinars in 1984"]

[Text] The annual foreign trade bulletin for 1984 has been issued by the General Statistics Department. This contains 16 tables containing figures on foreign trade for the years 1936-1984, trade with the Arab countries, the Arab Common Market, the European Common market and the socialist countries, and the most important countries in the world from which it imports and to which it exports. It also contains the most important commodities exported and imported in 1984.

The value of exports in 1984 came to 290.7 million dinars as compared with 210.6 million dinars in 1983, or an increase of 38 percent.

The value of imports came to 1,071.3 million dinars in 1984 compared with 1,103.3 million dinars in 1983, that is, a decline of 3 percent.

Through a rapid glance at the above figures, it is apparent that there has been an improvement in the balance of trade in 1984 over 1983.

The bulletin contains the most important materials exported, which include:

1. Vegetables. Their value came to 17.6 million dinars in 1984 as compared with 16.9 million dinars in 1983, that is an increase of 4 percent.
2. Fruit. Its value came to 8.7 million dinars in 1984 as compared with 7.6 million dinars in 1984, that is, an increase of 14 percent.
3. Phosphate ore. Its value came to 69.6 million dinars in 1984 as compared with 51.6 million dinars in 1983, that is, an increase of 35 percent.
4. Chemical fertilizer and potash ore. Its value came to 58.6 million dinars in 1984 as compared with 21.6 million dinars in 1983, that is, an increase of 171 percent.
5. Pharmaceuticals. Their value came to 12.7 million dinars in 1984 as compared with 8.7 million dinars in 1983, that is, an increase of 33 percent.

6. Clothes and accessories. Their value came to 12.7 million dinars in 1984 as compared with 2.6 million dinars in 1983, that is, an increase of 388 percent.

7. Resins and plastic products. Their value came to 8.4 million dinars in 1984 as compared with 6.2 million dinars in 1983, that is, an increase of 35 percent.

8. Iron and iron products. Their value came to 6.0 million dinars in 1984 as compared with 3.9 million dinars in 1983, that is, an increase of 54 percent.

In addition, the bulletin contains the most important countries to which exports were made in 1984. Iraq was in first place among the countries to which exports were made; the value of exports came to 67.8 million dinars in 1984 as compared with 26.0 million dinars in 1983. Next was the Kingdom of Saudi Arabia, with the value of exports coming to 38.7 million dinars in 1984 as compared with 35.2 million in 1983, then Rumania, with the value of exports coming to 12.9 million dinars in 1984 as compared with 9.9 million dinars in 1983.

Then Pakistan, with the value of exports coming to 11.2 million dinars in 1984 as compared with 5.9 million dinars in 1983.

Kuwait, with the value of exports coming to 10.4 million dinars in 1984 as compared with 10.4 million dinars in 1983.

Indonesia, with the value of exports coming to 7.2 million dinars in 1984 as compared with 3.9 million dinars in 1983.

People's China, with the value of exports coming to 8.8 million dinars in 1984 as compared with 3.9 million dinars in 1983.

Syria, with the value of exports coming to 2.9 million dinars in 1984 as compared with 3.2 million dinars in 1983.

Lebanon, with the value of exports coming to 2.3 million dinars in 1984 as compared with 3.6 million dinars in 1983.

Japan, with the value exports coming to 5.5 million dinars in 1984 as compared with 3.4 million dinars in 1983.

Formosa, with the value of exports coming to 3.9 million dinars in 1984 as compared with 5.1 million dinars in 1983. There also are other countries to which exports are made, the most important of which we have chosen as stated above.

The bulletin also contains the most important commodities imported, among which are:

1. Petroleum fuels, whose value came to 213.8 million dinars as compared with 212.4 million dinars in 1983, that is, an increase of 0.4 percent.

2. Mechanical equipment and instruments and parts, whose value came to 65.8 million dinars in 1984 as compared with 100.9 million dinars in 1983, that is, a drop of 35 percent.

3. Grain and grain products, whose value came to 65.7 million dinars in 1984 as compared with 47.6 million dinars in 1983, that is, an increase of 38 percent.

4. Iron and iron manufactured goods, whose value came to 60.9 million dinars in 1984 as compared with 74.8 million dinars in 1983, that is, a drop of 19 percent.

5. Automobiles and spare parts, whose value came to 57.5 million dinars in 1984 as compared with 71.9 million dinars in 1983, that is, a drop of 20 percent.

6. Electrical equipment and parts, whose value came to 51.0 million dinars in 1984 as compared with 57.2 million dinars in 1983, that is, a drop of 11 percent.

7. Precious metals and precious metal manufactured goods, whose value came to 47.1 million dinars in 1984 as compared with 7.5 million dinars in 1983, that is, an increase of 528 percent.

8. Meat, casings and similar edible materials, whose value came to 23.2 million dinars in 1984 as compared with 24.9 million dinars in 1983, that is, a drop of 7 percent.

The bulletin also contains a table showing the most important countries from which it imports, stating the most important of these:

1. The Kingdom of Saudi Arabia, the value of imports from which came to 208.8 million dinars in 1984 as compared with 210.9 million dinars in 1983.

2. The United States, the value of imports from which came to 119.3 million dinars in 1984 as compared with 131.0 million dinars in 1983.

3. The United Kingdom, the value of imports from which came to 72.3 million dinars in 1984 as compared with 65.6 million dinars in 1983.

4. West Germany, the value of imports from which came to 67.0 million dinars in 1984 as compared with 87.7 million dinars in 1983.

5. Japan, the value of imports from which came to 79.1 million dinars in 1984 as compared with 102.9 million dinars in 1983.

6. Italy, the value of imports from which came to 62.7 million dinars in 1984 as compared with 60.2 million dinars in 1983.

7. France, the value of imports from which came to 48.4 million dinars in 1984 as compared with 42.3 million dinars in 1983.

8. The Netherlands, the value of imports from which came to 26.7 million dinars in 1984 as compared with 24.4 million dinars in 1983.

9. Switzerland, the value of imports from which came to 46.3 million dinars in 1984 as compared with 15.6 million dinars in 1983.

10. The Soviet Union, the value of imports from which came to 11.1 million dinars in 1984 as compared with 13.9 million dinars in 1983.

11. Turkey, the value of imports from which came to 34.8 million dinars in 1984 as compared with 30.6 million dinars in 1983.

12. Spain, the value of imports from which came to 15.4 million dinars in 1984 as compared with 15.6 million dinars in 1983.

13. Formosa, the value of imports from which came to 20.9 million dinars in 1984 as compared with 23.7 million dinars in 1983.

14. South Korea, the value of imports from which came to 10.9 million dinars in 1984 as compared with 12.1 million dinars in 1983.

15. Sweden, the value of imports from which came to 11.1 million dinars in 1984 as compared with 9.9 million dinars in 1983.

16. Rumania, the value of imports from which came to 16.0 million dinars in 1984 as compared with 16.3 million dinars in 1983.

There are other countries, Arab and foreign, which appear in the bulletin.

The bulletin includes a table containing the value of goods passing in transit through Jordan, whose value came to 362.9 million dinars in 1984 as compared with 346.8 million dinars in 1983, that is, an increase of 5 percent.

11887

CSO: 4404/435

JORDAN

DELEGATION ATTENDS SCIENTIFIC CONFERENCE

Amman AL-DUSTUR in Arabic 6 Jul 85 p 2

[Text] A scientific delegation has left Amman for Italy; it includes Dr Albert Butrus (representative of his Highness Crown Prince Hasan), Dr Fakhr-al-Din al-Daghistani (president of the Royal Scientific Society), Dr Humam Bisharah Ghasib (member of the International Center for Theoretical Physics), Dr 'Abd-al-Salam al-Majali (president of Jordan University), Dr Ahmad Salam (associate professor in the physics department at Yarmuk University), Dr Muhammad al-Samadi of the Royal Scientific Society, and Mr Taysir Subhi (editor in chief of AL-RABITAH magazine, and a member of the Society of Arab Friends of the International Center for Theoretical Physics).

The Jordanian scientific delegation will participate in meetings of the first international conference for Arab-Italian cooperation in the fields of physics and mathematics. The conference was organized by a group of Italian scientists in cooperation with the Society of Arab Friends of the International Center for Theoretical Physics, which is connected with the Atomic Energy Agency in Trieste, Italy. The conference will begin its workings on the 10th of this current month of July.

Dr Albert Butrus will address the conference on behalf of his Highness Crown Prince Hasan, and Dr Humam Ghasib will present a talk dealing with the purposes and goals of the conference and the results that it is hoped will be achieved.

The goal of this conference is to discuss and study the situation of physics and mathematics in particular and science in general, in the Arab regions, and from there to attempt to define possible areas of cooperation between Arab scientific establishments and their counterparts in Italy, with the aim of developing and improving the circumstances of these sciences and their establishments and the situation of those working in science in the Arab regions by means of this cooperation.

It is expected that the number of those participating in the conference will be about 50 participants from Arab regions, 30 from the Italian side, and 50 from various regions. They will take part in other scientific activities that will take place at the center at the same time that the conference is held.

LEBANON

FRUSTRATIONS IN MAINTAINING POLITICAL ACCORDS REVIEWED

Paris AL-MUSTAQBAL in Arabic 13 Jul 85 pp 22, 23

[Article by Marwan al-Mahayini: "They Reach Agreement in Damascus and Fight One Another in Beirut"]

[Text] Following a long stormy meeting which lasted until the early hours of last Tuesday morning, Lebanese nationalist and Islamic figures issued a statement declaring their agreement to work in a serious, effective manner to bring about a national reconciliation with the purpose of restoring national unity, as well as their agreement to a comprehensive security plan. This latest meeting, which lasted about 7 hours and was broken up by clashes which resulted in the withdrawal then return of Nabih Birri, was held under the insistence of the mufti, Shaykh Hasan Khalid.

This meeting was held at the conclusion of a series of expanded gatherings, a group of bilateral, trilateral and quadrilateral meetings preceded by lengthy meetings between President al-Asad and [former] chief of parliament Husayn al-Husayni, [former] premier Rashid Karami, Mr Walid Jumblatt and Mr Nabih Birri, and numerous other meetings and contacts held by the Syrian vice president 'Abd-al-Halim Khaddam, comprising all the parties that took part in this series of meetings, which Damascus had convened to discuss the deteriorating situation in Lebanon.

The statement issued at the conclusion of these meetings, which Premier Rashid Karami read out, pointed out that it had become clear to the people who had met that "among the reasons for the provocation of strife and the attempts to fragment the unity of Islamic and national ranks have been the cover of the activity which is taking place to liquidate the Palestine cause and the cover of the movements which had the goal of realizing a new stage of the Camp David platform." It was also clear to the people who had met, according to this declaration, that "among the reasons for the strife which was fabricated in the camps were the return to the situation which prevailed in Lebanon before 1982 and the establishment of internal security in the camps, which obstructed the course of national reconciliation and the solution to the Lebanese crisis." The views of the people who had convened were in agreement that "the American measures and threats against Lebanon came about as retaliation for Lebanon's position on the 17 May agreement and the

Lebanese people's support for the national resistance movement against the Israeli occupation, and were aimed at weakening Lebanon and increasing the state of deterioration the Lebanese are experiencing." The people who had met embraced the AMAL movement's statement bearing on the security of the camps, underlining Lebanese national consensus on refusing to go back to the situation which had preceded the Israeli invasion of Lebanon, and agreed over a unified security instrument which would be capable of imposing law and order, collecting all types of weapons, dissolving the armed organizations and forming a committee of al-Husayni, Karami, al-Huss, Birri and Jumblatt to take charge of contacting Lebanese forces and personalities to discuss ways and means for realizing the national plan to solve the Lebanese crisis on the basis of a review of educational, development and social policies in accordance with the bases for implanting and strengthening national unity and eliminating the causes of the schisms which Lebanon is exposed to from time to time.

In order to remedy the security situation, agreement was reached on withdrawing all armed persons from the streets and sections in Beirut to barracks to be specified by the coordinating committee, eliminating all armed demonstrations, removing slogans, flags, writings and posters, closing all non-major party libraries, removing the political cover from attacks and violations and the people committing them and assigning domestic security forces to engage in their role and facilitate the return of the people in exile. Backing the domestic security forces in this task would be a special force from the army to be chosen by agreement between the premier and the minister of defense, which would be under their command. The area concerned with these measures would include West Beirut, the area of the camps, the airport and the road leading to it. As regards the airport, the people who had met agreed to support its security system and to withdraw all party organizations and armed persons from it and around it. The supervision and monitoring of these provisions were assigned to a coordinating committee, three of whose members Karami would choose by agreement of the minister of defense, and two of whom Birri would choose; the National Democratic Front would be represented by two others, and two Syrian observers would take part in it.

Regarding the political and reform issue, the people who met agreed to continued resistance to the Israeli occupation and support for the national resistance, on grounds that that was a brilliant phenomenon in modern Arab and Islamic history, along with the effort to carry out the resolutions of the Security Council, especially Resolution 425. They also gave agreement to the attainment of equality of rights and obligations among all Lebanese, realization of the principle of equality of opportunity, the establishment of a true democratic system which would put an end to all forms of partition existing in actual conditions, the restoration of the unity of the country and the unity of its institutions and the codification of a new constitution for the country which would realize Lebanon's unity, stress its identity and national and ethnic role and put a permanent end to the state of factional organization so that the state of national unity would take its place.

The people who met rejected all forms of internal security for the Lebanese or Palestinians, proceeding from the rule of unified security for a unified country.

It was clear that the formulation of the statement was the conciliation format Khaddam succeeded in ensuring everyone's agreement to, although it did not embrace all the ideological premises of any party. While some of them agreed to condemn the state of factionalism, the formula of united security for a unified country was adopted, along with the rejection of a return to conditions prior to 1982, imposing on everyone the responsibility for embracing this rejection. The formula which AMAL had presented, in calling for a constituent assembly to set out the constitution, was ruled out; the statement settled on referring to the codification of this constitution in a special subsection whose wording was obscure. That was because it was the opinion of some of the people who had met that the demand of Birri and Jumblatt in this regard would delay the application of the desired security agreements, which requirements urgently demanded be put into execution immediately, in order to have Beirut avoid further fighting and security disruptions. In other words, two currents contended among the people who had met, one of which demanded an immediate security solution, the other of which wanted this solution to be connected to a comprehensive reformist political solution. At this point, there was a long pause for reflection and the discussions with which it was impregnated, which reached the peak of their asperity at the meeting the night of the statement.

While Karami, al-Huss and Jumblatt left Damascus, al-Husayni and Shaykh Shams-al-Din remained there for further consultation. The issuance of the statement was followed by a series of meetings held last Tuesday in Khaddam's office with the leaders of the Democratic National Front and the Palestinian Salvation Front to explain the dimensions and goals of the new agreement and the roles assigned to each party.

The question which has been raised now, since agreement has been reached in Damascus as fighting has been going on between AMAL and the "Progressive" [Party] and artillery fire has been exchanged between the two halves of Beirut and in Tripoli, concerns the possibility of having this new agreement, whose serial number no one has been able to specify among the hundreds of similar previous agreements issued since 1976, help get Lebanon and Beirut to avoid further suffering, destruction, bombardment, sabotage and violation of sanctity, and the entity which will underwrite this agreement in the absence of the government and all its agencies and institutions, including the Council of Ministers itself, while the army consists of a number of armies and each faction has its own security and its militias. Hopes among optimists are fixed on the intentions of the people who met and signed this agreement, and their assured knowledge of Damascus' concern over the need to commit itself to its contents and its assertion of the agreement's role in achieving the help which Syria is urging to make it possible for Lebanon and the Lebanese to resume the course of reconciliation and salvation. As for the pessimists, they also have doubts, not the least of which is that the people who met have themselves agreed a number of times and disagreed a number of times. They all took part in the Geneva, Lausanne, Damascus and Bikfaya agreements, held a dialogue in the course of them and reached agreement during them. Therefore, observers this time make a distinctive connection between the contents of the new agreement, the Syrian insistence on turning over the Lebanese leaf, closing up all the outlets through which the wind is moving and closing the doors which can be closed now but it will be

difficult to close later on. The observers, in this regard, point to the lengthy closed meetings which President al-Asad held with Birri, Karami, Jumblatt and al-Husayni and the statements the official circles in Damascus keep repeating at all levels on the need to stop the prevailing state of deterioration on the Lebanese stage without delay and continue the course of reconciliation without procrastination.

11887

CSO: 4404/443

3 October 1985

LEBANON

BRIEFS

FOREIGN CURRENCY RESERVES--The foreign assets in the possession of the Bank of Lebanon at the end of the first half of this year came to about US \$960 million, valued in accordance with the exchange rate of the dollar at the end of the period, which came to 15.65 pounds. These dollar assets had dropped somewhat during the second half of the month of June because of the reduction in the Bank of Lebanon's intervention in the purchase of dollars from the local market and the opening of credits to cover oil bills. In addition the Bank of Lebanon's assets in gold come to about 9.22 million ounces, that is, about US \$3 billions' worth. [Text] [Paris AL-MUSTAQBAL in Arabic 20 Jul 85 p 39]

CSO: 4404/443

QATAR

JAPANESE JOINT PARTNERSHIP WITH QATARGAS

Dubayy KHALEEJ TIMES in English 6 Sep 85 p 11

[Text]

DOHA—The Marubeni Corporation of Japan yesterday signed a deal here which makes it a 7.5 per cent equity partner in Qatargas, a company set up to produce liquefied natural gas from the massive reserves of the North Field.

Signing on behalf of Qatar was Minister for Finance and Petroleum Affairs Shaikh Abdulaziz bin Khalifa Al Thani. Hiroe Isao, Deputy President of Marubeni Corporation, signed for the Japanese firm.

The other three partners of Qatargas are BP, of Britain, CEF (Total) of France, each holding a 7.5 per cent stake, and Qatar General Petroleum Corporation, which holds the rest of the majority shares.

The participation of Marubeni is a major step forward for Qatargas, which had been looking for a Japanese firm as a partner to ensure a market. Marubeni will start buying two million tonnes of LNG by 1992, when the second phase of the North Field project is expected to go on stream. That still

leaves another four million tonnes that Qatargas must sell to break even and to make profit. Hence Qatargas will now be looking for another Japanese partner with a 7.5 per cent interest.

Shaikh Abdulaziz said effort would continue to develop the North Field gas project, as desired by the Amir, His Highness Shaikh Khalifa bin Hamad Al Thani. He described the project as the new pillar for the country's economy. Shaikh Abdulaziz, who is also chairman of the Qatargas board, said the first phase of the project, meant for domestic use, would be completed by the end of 1988.

The first phase is being handled entirely by the Qatar General Petroleum Corporation, according to officials. The Qatargas comes in only for the second phase, which is meant to produce LNG for export. The QGPC recently awarded a \$1 million contract to Bechtel Corporation of US to begin basic engineering design work for the project. The BP and CFP are assisting QGPC in supervising the work in terms of standards, officials added.

CSO: 4400/254

3 October 1985

QATAR

TRADE WITH UAE

Dubayy KHALEEJ TIMES in English 4 Sep 85 p 13

[Article by Ahmed Hassan]

[Text]

QATAR is fast becoming a major importer from the UAE, although, reversing a trend seen in recent years.

The transit and the re-export trade from the UAE to Qatar has reportedly shown a remarkable improvement last year.

According to figures released by the Federation of Chambers of Commerce in the UAE, during the first half of last year, the balance of trade was in favour of the UAE, although in 1983, it was heavily in favour of Qatar.

During the first half of last year Qatar exported goods worth nearly Dh80 million to the UAE.

The exports of non-oil products from the UAE to Qatar during the same period accounted for about Dh36 million. However re-exports from Dubai and Abu Dhabi to Qatar accounted for over Dh85 million, giving the UAE a

decided advantage as far as the balance of payments is concerned.

Accordingly the balance of payments in the first half of 1984 was over Dh42 million in favour of the UAE.

During 1983, the balance of trade was in favour of Qatar by about Dh290 million, with Qatari exports to the UAE exceeding Dh500 million.

The re-export from Dubai and Abu Dhabi during the entire 1983 amounted to Dh166 million.

The main imports into the UAE from Qatar include industrial goods, which account for over 80 per cent of the total value of imports.

Other items include vehicles and earthmoving machinery.

Chemicals also form a substantial import item accounting for over five per cent of the total value of imports.

With excellent road networks reaching upto the border town of Silla, trade with Qatar is expected to grow substantially in future.

CSO: 4400/254

QATAR

STEEL PRODUCTION FIGURES

Dubayy KHALEEJ TIMES in English 8 Sep 85 p 11

[Text]

DOHA—Qatar Steel Company, (Qasco), has set new production records during this year, consistently producing over the installed capacity.

All production is geared to immediate demand. "We do not hold any in stock," said Hiroshi Hasegawa, General Manager.

However, low prices in the market have continued to create losses financially and Mr Hasegawa sees no upturn unless the Arab Gulf Cooperation Council (AGCC) steps in to protect local industries.

Total production of reinforced steel bars last year was 470,700 tons, higher than the figure for 1983. Mr Hasegawa expects a seven per cent increase by the end of 1985. New records were set up during July this year, with a production of 48,985 tons in the direct reduction plant, 47,821 tons in the electric arc furnace and 47,009 tons in the continuous casting. These represent the whole process which ends up at the rolling mill, which had a record production of 52,598 tons during January this year.

Ahmed Mubarak, public relations officer, added that the current year had been a period of achievements so far all around. Other record figures were three million tons of production in molten steel, billets, steel bar and in the delivery of bars.

Mr Hasegawa said good maintenance and certain "small improvements" in production technique had helped. Qasco has been consistent in optimum operational efficiency in the last six years. The current year has been free of major problems or shut downs. Mr Mubarak added that a key area was the rolling mill, the last and final stage, which had 20 rolling stands. All these stands must keep rolling if the figures have to be kept at a high level and the maintenance has to be excellent. Qasco had been able to achieve this trouble-free service.

Mr Hasegawa said another reason for good operation was the smooth supply of gas, water and power from the government. "It was all as smooth as could be and I must thank the authorities. Without these supplies none of our efforts could have succeeded."

Prices currently are around \$240 a ton, slightly better than last year when they hit \$220. But the days of \$280 and \$300 are gone. Stiff competition from Brazil and South Korea has forced prices down to a level where Qasco despairs of making a profit. The forecast is that the rest of the year is going to witness a decrease in demand.

Mr Hasegawa said even advanced countries in the world extended protection to infant domestic industries. He said the AGCC was currently considering such a move and hoped it would help units like Qasco and Hadeed in Saudi Arabia.

Agencies add: India will begin negotiations next week with Qasco to supply iron ore, Indian Ambassador to Qatar, S. Basheeruddin told UNI yesterday.

He said an Indian delegation was expected to arrive here shortly.

India already has supplied some half a million tonnes of iron ore to Bahrain's Arab Iron and Steel Company (Aisco) and has signed a long-term agreement with it to supply upto eight million tonnes of ore by 1990. However, for the past few months, the Aisco plant has been closed due to lack of international market for its produce.

QR778m imports

● Qatari imports from the Americas and Oceania during 1984 amounted to QR778 million (about \$213 million) with value of imports from Oceania reaching to QR306.5 million.

Foreign Trade bulletin for 1984 issued by the Qatar Central Statistics Organisation said exports from the United States to Qatar reached QR384.5 million (\$105.2 million) to rank first among the Americas and Oceania exporters. Australia ranked second with its exports to Qatar valued at QR137 million while Brazil took third position with QR54.4 million. Canada came fourth with QR10.5 million and New Zealand ranked fifth with QR7.8 million.

Imports from these countries included food stuffs, livestock, rice, wheat, fodder, beverages, tobacco, construction material, vegetable oils, chemicals, cosmetics, textile, iron pipes, steel, aluminium, electric appliances, agriculture and industrial tools.

QATAR

BRIEFS

FOOD IMPORTS INCREASE--Despite a continuing fall in Qatar's overall imports, food purchases have registered a steady increase. Figures available for the second quarter of 1985 show that 11,244 tons was imported--an 11 percent increase over the same period last year--excluding substantial quantities of wheat, sugar and rice imported earlier. During 1983 and 1984, the value of food imports rose from \$184.89 million to \$217.53 million. Total Qatari imports during 1984 were valued at \$1.15 billion, the lowest level since 1976. However, this year marginal growth appears likely. [Text] [Dubayy KHALEEJ TIMES in English 6 Sep 85 p 11]

CSO: 4400/254

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

YSP SECRETARY PRAISES PREPARATIONS FOR CONGRESS

San'a' AL-AMAL in Arabic 14 Jul 85 p 4

[Interview with Secretary General of the Yemeni Socialist Party 'Ali Nasir Muhammad, by Sa'id Ahmad al-Jinahi: "We Are Not Building a Palace On Sand; Our Party Is Cohesive, and We Are Strong Because of Its Unity"; in Aden, date not specified]

[Text] Events in our country have always proven that whatever happens in one part of our country affects events in the other part.

In North Yemen these days, all our efforts here are devoted to holding the largest, most extensive election in the history of our country, with the aim of getting all the masses to take part in exercising their democratic rights by forming local cooperative councils and expanding the membership of the General Popular Congress.

In South Yemen, party efforts are being directed towards making preparations for the third general congress of the Yemeni Socialist Party [YSP], and party electoral activity among the ranks of the party members is oriented towards the election of leadership cadres and delegates to the third general congress, which will be held in mid-October 1985.

In 'Aden, our colleague and chief editor Sa'id Ahmad al-Jinahi met with YSP Secretary General 'Ali Nasir Muhammad and conducted a comprehensive interview with him covering several issues pertaining to the preparations for the party's third general congress.

[Question] Preparations for the third general congress began with the formation of a preparatory committee. What are this committee's functions and primary duties in preparing for the congress?

[Answer] We are grateful to you for this quick interview dealing with the arrangements and measures being taken by our party's leadership and by all our party's strugglers and our popular masses in order to completely and successfully prepare for the activities of the third YSP general congress.

In response to your question about the functions and major duties of the preparatory committee, I must point out at the very start that the third general congress will be held on its scheduled date, in accordance with the provisions of the YSP's internal statutes. Preparations for the congress are being made on the basis of our particular experience and the experience of fraternal parties around the world. Therefore, the intellectual, political and organizational trends and issues involved in the preparations for the third YSP general congress have been outlined in a comprehensive document submitted to the fourteenth session of the Central Committee which convened in February 1985. At this session, the start of party and mass preparations for the congress was officially announced, and a decision was adopted to form a supreme preparatory committee for the congress, which would carry out its duties and functions efficiently and tangibly, according to its work plan.

[Question] If what you are speaking of are the main preparatory tasks, what preparations has the preparatory committee made, and how far has it gotten in its preparations for the congress?

[Answer] The supreme preparatory committee for the party's third general congress is carrying out its tasks according to the work plan drawn up and decreed by the Political Bureau of the YSP Central Committee. In accordance with this plan, the preparatory committee held several meetings and formed subsidiary committees to prepare the documents and make the media, organizational, administrative and security arrangements and measures involved in preparing for the congress. I can say that the preparatory committee and its subsidiary committees are doing their job in the manner prescribed.

[Question] You indicated that the committee is preparing documents to be submitted to the congress; what are the most important such documents which will be presented?

[Answer] By documents I mean the political report, which will include an analysis, evaluation and review of the activities of the YSP Central Committee during the period between the extraordinary second general congress and the third congress. There is a second important document, by which I mean the one which will deal with the main trends of the third 5-year plan for economic and social development, in addition to other documents to be submitted, discussed and issued by the congress.

[Question] With the development of the progressive experiment in South Yemen, and your venture into creating new events such as today's activities regarding the big event (the third general congress), biased rumors are circulating, and forces hostile to the regime and the revolution in South Yemen are spreading rumors of disputes flaring up within the YSP. What do you have to say to this?

[Answer] We don't need to recall the entire history of the plots to which the Yemeni revolution and our national democratic regime has been subjected ever since its birth. In any case, the masses of our people throughout the country, and all the forces of good around the world, cannot forget the

tragedy and pain which we have suffered because of those conspiracies, which have variously consisted of military attempts, economic blockade, domestic sabotage, smuggling cadres, shutting down construction jobs and projects, sowing political doubts, cultural plundering, ideological deception, and so forth. All of this combined has constituted an integrated, multi-faceted activity, backed up with vast resources on the part of the imperialist forces led by American imperialism, which is aimed at striking a blow to the Yemeni revolution, assassinating its new-born revolutionary political regime, and burying our people's hopes and aspirations for progress, democracy and unity.

Quickly reviewing the entire history of the conspiracy against the Yemeni revolution and our progressive regime, we find that every force which originated these attempts and backed them up with support and aid ultimately found itself, with the failure of every attempt, face to face with the fact that it could not stop our revolution or bring our progressive regime to its knees. Conversely, here in Yemen we are continuing to consolidate our new experiment and uphold the revolution through our people's innate abilities to create, innovate, and give of themselves. We are taking a lesson in developing our resources in order to persevere, carry on, and firmly ground our commitment to the theory of the age--the theory of scientific socialism, which has throughout all these years permitted our political program to expand its national, progressive and international dimensions. With the establishment of the YSP, it became clear that our roots, as option, program and regime, extended very deep. We are not vacillating; we are acting, not talking. We are qualitatively raising the revolutionary act to levels never before reached in our region, to the point where we can say that by establishing the YSP we have conclusively secured the future of the revolution. Our party's extraordinary congress, with the critical approach it represented, was tantamount to a confirmation of our ability, as a party, to face the challenges we found ourselves facing, and to continue the revolution, in spite of the difficulties and conspiracies, by starting from the ideological choice and the political program which our party drew up as a means of accomplishing the tasks of the national democratic revolution in all its socialist dimensions. This found its expression in the all-inclusive, party-led political acts of devotedly and successfully carrying out the economic development plans, ensuring security and stability throughout the land, improving the standard of living of the popular masses, and confirming the correctness of our policy of coordinating both parts of the country, the satisfactory progress of which has been ensured by the joint cooperation which exists between both parts of the country towards achieving our people's dream of reuniting their country.

All of this has aroused our enemies and forced them to look for new ways and means of continuing the conspiracy against our revolution and our national regime. It has become clear to us that all this hostile, conspiratorial activity will gravitate around the instrument of the revolution, the YSP.

In this way can be explained all the feverish attempts to create an atmosphere of doubt about the unity and cohesiveness of our party and its ability to lead the experiment and to carry on its historic mission of leading our people towards accomplishing the tasks of the national democratic revolution in all its socialist dimensions. Therefore, all of this idle talk about the

so-called differences flaring up within the party, bloody conflict among its leaders, and other things that have been said and are being said these days as we are about to begin our party's third general congress, is not at all strange. Its purpose is to harm our experiment and political regime, create a doubtful and mistrustful public opinion and an atmosphere of dread and watchfulness, and present us to the world as a castle built on sand which has now begun to crack and collapse. The fact is, all of this, and the wretchedness, baseness and recklessness of these hostile forces in contriving such suspicions, lies, confusion and deception which is hereby revealed, is but yet another proof of the terrified uneasiness which our revolutionary experiment has sown in the minds of its enemies because of its continuity, solidity, and growing regional, Arab and international standing.

Today, we in our political regime and our leading party are stronger than we have ever been--strong in our ideological choice and political program, strong in the unity and cohesiveness of our party, and strong in our popular masses' rallying around our party and marching under its banner. All of this has been and will be achieved by virtue of the fundamental, critical approach which we take in all of our activity and in our relations within the party and with the masses. Herein alone lies the great secret of our experiment, our party, and our ability to continue in spite of the objective difficulties to which our journey onwards and upwards has been subjected.

[Question] Excuse me, Mr. Secretary General, but there are some questions about the working paper. Would you allow me to present them?

[Answer] Please do so--why not?

[Question] Thank you. The proposed working paper has been and is being discussed by party members and by the masses, after having been passed by your party's Central Committee in, I believe, its fourteenth session.

[Answer] Yes, it was passed in the fourteenth regular session of the Central Committee, and is now being discussed by members of the party and of the working classes.

[Question] What does this paper mean?

[Answer] The working paper is a political document intended to outline the intellectual, political and organizational guidelines for preparing for our party's third general congress. In this context, it also evaluates all the economic, social and cultural aspects of the country's revolutionary experience, for the purpose of putting our party and our people completely in the picture and relating the entire operation of preparing for the congress with definite issues to be confronted, on the party and popular level, in an organized, critical manner which will lead, through serious and responsible discussion and debate, to a vital, critical comprehension of our experience in the fields of political, economic, social and cultural construction. Through this, not through the individual contribution of its members, our party will carry out this preparatory activity; in fact, the leadership will achieve this side by side with the popular masses, who built our new socio-economic system with

its sweat, blood, and physical sacrifice. The masses' role must not be limited to building; the essence of its responsibility also consists of protecting and guaranteeing the continuity and growth of what it has built. For just this reason, the masses will take part in the discussion of the working paper, investigate the positive and negative aspects of what has been accomplished, and put their finger on any shortcomings, mistakes and gaps, so that they can, from a position of full awareness of all aspects of the experiment, and under the leadership of the party, continue their worthy role of reinforcing the standing of our national regime, and help draw up the basic guidelines to be followed in the construction operation, which our third congress will follow in carrying out the tasks of the national democratic revolution in all its socialist dimensions.

Thus the working paper, inasmuch as it defines the basic intellectual, political and organizational guidelines for party and mass preparations for our party's third general congress, and inasmuch as it presents a critique of our experiment and an objective, scientific evaluation of its development during the period between congresses, also gives us definite indications for our future work, which will be defined in the final documents to be presented for discussion and ratification at the congress. In this sense, the working paper has been and is being discussed on party and popular levels the length and breadth of the country.

[Question] What conclusions have you drawn from the discussions of the working paper?

[Answer] It might appear to be premature to draw any final conclusions from the discussions of the working paper by party members and non-party members, workers and strugglers, because the discussions are not yet finished.

[Question] But doubtless some issues have crystallized during the preliminary discussions.

[Answer] That is correct. So far, it can be said that the extensive discussions and talks devoted to the paper's topics have made it clear that the people have rallied around the party. The following facts have emerged.

1. The preparations for the third general congress, while having attained a high degree of vitality, responsible seriousness, and unprecedented positive results, have adopted definite topics in the paper as an intellectual, political and organizational framework for the ongoing preparations.
2. The topics covered by the working paper are party and popular issues.
3. The extensive, qualitative participation of popular sectors in the discussions has enhanced the mass characteristics of the party.
4. Starting the discussions on the popular level has given the discussions which began earlier on the party level the chance to firmly link up with the mass discussions as well.

5. The exceptional seriousness which has characterized the party and mass discussions has influenced and enriched delicate topics.

6. The discussions have clearly brought out the critical attitude of our popular masses, their desire to thereby confirm their basic belief in the party's choices and its political program, and the extent to which they are rallying around it and marching under its banner.

7. The discussions among the rank and file party members has enhanced the unity of opinion and stand, and has proven these member's full awareness and responsible comprehension of the historic tasks entrusted to them.

8. Finally, the party's and people's discussion of the working paper has revealed the magnitude of our country's revolutionary experiment and the vast resources on which this experiment depends for its survival and continuity.

[Question] In addition to this, is there any other purpose to be achieved by submitting the working paper to such extensive party and mass discussion?

[Answer] In addition to the main purpose of the working paper, which consists of drawing party members and non-party members into participating in the extensive preparations for the party's third general congress, the discussion of the working paper is intended to stir up objective debate within the party about those main issues which concern the development of the revolution and which are of interest to the society as a whole. In light of this extensive popular thrust towards in-depth, far-reaching discussion of the working paper which has been observed in work and production sites and party organizations throughout the land, I can confirm that the working class has openly voiced its rallying around the party and its support for its policy. Furthermore, the party has proven that it is worthy of its recognized vanguard role and that it possesses a strike force--the force of the revolutionary people, the force on which we have relied and will rely, now and in the future, in confronting our class enemies. As a result of the debates and discussions about the working paper, our party organizations and popular masses have affirmed that our party is even more capable of confronting the most determined, effective, disruptive campaigns devoted to shaking up the struggling union of party and popular masses. Our information agencies have been able to assume full responsibility for politically mobilizing the popular masses around the working paper and reacting decisively to all media, political and ideological attempts to sow doubt, confusion and deception targeted against the bond between our party and our great people.

Our great, extensive preparations are nearing their culmination, and we have every right to stress that all of this activity will definitely lead to our entering the congress with the full force of the party and the people, the force and richness of our country's revolutionary experiment, and the force of international solidarity between our party and people and the forces of progress, democracy and socialism throughout the world. Thus we can confidently say that we are moving forwards, carrying our revolutionary experiment's victory banners, regardless of the difficulties of growth and the obstacles which our class enemies have placed in the way of our revolution's advancement.

[Question] The media have an important part to play in the preparations for the third general congress. What can the information agencies do in this regard?

[Answer] The information agencies are playing the role assigned to them by the party. During this period of preparations, they have done their duty in a tangible way, helping strengthen party unity and deepen the party's bond with the people. Nevertheless, we feel that there are major, vital duties which the information agencies ought to assume in order to emphasize the working classes accomplishments, innovations, and contributions to all aspects of economic, social and cultural life. All the information media--television, the press, radio--must go to job and production sites in all the republic's governorates, in order to listen to the concerns of the working classes, communicate their views about the preparations for the congress and their suggestions for promoting work and reducing expenses, and discuss how they are working for the benefit of society and the advancement of the people's life. This is an extremely important matter which the information agencies ought to take into consideration as they carry out their duties in preparing for the congress. That is, the media must deal with tangible issues in all fields, and must primarily reflect the efforts of the working class and the achievements in progressive economic and social construction in the country.

[Question] It is well known that the progressive regime and the revolutionary party in South Yemen have enemies who are trying to hamper the accelerating course of development, and that it is likely that the forces of the Yemeni revolution in general will be subject to provocative schemes or even aggression against the country, especially during the preparations for the congress. How do you think any plot intended to impede the success of the congress might be confronted?

[Answer] In our policy, we have expressed our desire that the people of our country live without tension or conflict. We have helped achieve security and stability by correctly applying the principle of peaceful coexistence. However, at the same time, we remain fully ready to take resolute, stern measures to combat any possibility of aggression and sabotage at any time and place, no matter the source. Therefore, I must once again emphasize that while we are all for peace, stability, and granting the people of the region the opportunity to devote themselves to economic and social construction, we will nevertheless confront any hostile act with a determination and resoluteness which knows no hesitation or slackness, and which will reflect the persistence and determination of our people to defend their revolutionary program, their progressive gains, their security and their sovereignty. This ought to be, and must be, clear to all.

8559

CSO: 4404/457

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

NEW PRESS SECRETARY--Brother Engineer Haydar Abu Bakr al-/Attas, member of the Political Bureau, and chairman of the Council of Ministers issued the decree of the Council of Ministers appointing Brother Ahmad Muhammad al-Hubayshi as press secretary to the prime minister. [Except] [Aden Domestic Service in Arabic 1230 GMT 17 Aug 85 GF]

CSO: 4400/249

JPRS-NEA-85-126
3 October 1985

YEMEN ARAB REPUBLIC

BRIEFS

DIPLOMATIC RELATIONS PLANNED--The YAR decided today to establish diplomatic relations at the ambassadorial level with the Mongolian People's Republic, South Korea [as heard], and Gabon. Nonresident ambassadors will be appointed later through diplomatic channels. [Text] [Sana Domestic Service in Arabic 1200 GMT 22 Aug 85 GF]

CSO: 4400/249

AFGHANISTAN

VARIOUS PROJECTS UNDERWAY TO SOLVE HOUSING PROBLEMS

Kabul KABUL NEW TIMES in English 1 Aug 85 p 2

[Text] To solve the residential problem, do away with homelessness and modernize residential buildings is one of the basic objectives of the PDPA.

Besides the existence of tens of constructional institutions which day and night strive to build houses for the compatriots, the Directorate of Constructions of the Ministry of Defence also builds hundreds of apartments and residential houses in various parts of the country. These blocks are mainly built for use of the officers and employees of the Armed Forces.

Activities of the said Directorate has had spectacular increment, especially after the victory of the April Revolution. Besides constructing military installations, the Directorate has been active in building residential blocks, mainly in Ghazni, Kandahar, Shindand, Herat and in other parts of the country. Including the said residential projects, the residential project of Bibi Mahro, should be mentioned. This project consists of 58 blocks with 1,566 apartments. So far 382 apartments have been built and utilised.

It is envisaged that during the current Afghan year (begun March 21, 1985), 86 more apartments of four and five storied blocks with a total volume of 27,990 cubic meters in an area of 6,5-0 square meters would be built and made ready for utilization.

The residential project of Kargha is another project which will include the building of houses for the military officers. It includes 34 blocks, consisting of 413 apartments. So far 252 apartments of this project have been built and submitted for utilization. It is also planned to build 42 new apartments during the current year.

Likewise, included in the plan are the completion of the residential projects of Kandahar city, where some 43 residential blocks including one thousand apartments are to be built, among which 192 apartments have so far been built and 54 more apartments with all modern amenities will be built during the current year.

Another residential project undertaken by the Directorate, is construction of the residential blocks of Bagram Airport which consists of 117 blocks having

700 apartments. These blocks are meant for families of military officers. Similarly, the work of 54 apartments has been completed.

In Ghazni Province the residential project for the employees and officers of the armed forces, consisting of 85 blocks with 500 apartments is also under construction.

President of the Directorate of Construction of the Ministry of Defence, of the DRA in his interview with a KNT correspondent added that some eight residential blocks having 360 apartments are under construction, whereas some 96 apartments have so far been built and given for utilisation.

Concluding, the President, said, "All the aforementioned blocks and apartments with international standards have been the results of the entiring work and toil of the workers, engineers and employees of the Directorate of the Construction of the Ministry of Defence. The distribution work of aforementioned apartments is enshouldered by the Directorate of Residential Services of the Ministry.

CSO: 4600/633

AFGHANISTAN

LOW-COST HOUSING CONSTRUCTION FOR MUNICIPAL WORKERS BEGINS

Kabul KABUL NEW TIMES in English 27 Jul 85 p 1

[Text] Kabul, (BIA).--The construction work of residential houses for workers and employees of the Construction Enterprise of Kabul Municipality began in the low-cost project of Nauabad (village) of Pulicharkhi yesterday.

In accordance with the norms, 300 land plots of the project had previously been distributed to the workers and employees of the said enterprise.

The voluntary work launched on this occasion from 8.30 a.m. to 12 noon, was attended by the Secretary of Kabul City Party Committee, a number of state officials of Kabul city and over 2,000 workers and employees of different departments and wards of Kabul Municipality. They took part in transporting construction materials, laying of foundations and other constructional works of the project.

A concerned spokesman of Kabul Municipality has said that the low-cost project of Nauabad of Pulicharkhi is situated in an area of 887 hectares of land which accommodates 13,211 residential land plots.

The spokesman added that the said project was designed by the architects and engineers of the Architecture and Planning Department of Kabul Municipality taking into account the modern norms of city-building. Out of the aforementioned number, 3,045 plots and their blue-prints have been distributed to the deserving people.

The spokesman further noted that the construction of cultural, educational and administrative establishments, public parks and recreational centres and other public utility establishments in this project, have been taken into account.

The spokesman said that the price of every plot covering an area of 600 square metres, has been fixed at Afs 9,000.

CSO: 4600/634

AFGHANISTAN

PROVIDING SHELTER FOR WORKING PEOPLE A PARTY GOAL

Kabul KABUL NEW TIMES in English 29 Jul 85 p 4

[Text] The PDPA based on its social policy endeavours to provide the working class and all the working people with ever further social services.

Following the said course in the sphere of social policy is not accidental, for it emanates from the class character of the Revolution and from its political-revolutionary sovereignty. Thus, the main aim of the policy is to defend the interests of the deprived masses of the country.

"For our party is of the opinion, that under the present conditions the main task of the party and revolutionary sovereignty vis-a-vis defence of the homeland consists of the untiring endeavours aimed at betterment of people's living conditions and at the all-round economic, social, and cultural development of Afghanistan".

This policy has consistency, discipline and is being organized according to the present, financial and economic possibilities of the country. The realization of this policy has had its reflection in the implementation of socio-economic plans.

Rendering social services to the masses of the country are covering a large area of the vast activities. Provision of proper conditions for the insurance of health services, construction of residences, recreational and public spots, material well-being and moral training and others are clear evidences of constant attention to the living conditions of the people.

But in case of non-existence of the said possibilities, from where should one start? From construction of picnic spots; rendering of health services or provision of residences for the working people? And then to whom the above said issues should be put as those of the top priority? Certainly planning requires that the most urgent of the issues should be tackled first.

Solution of the residential problem is certainly today one of the pressing issues at the top of the priority of the political revolutionary sovereignty which is aimed at betterment of the living conditions of the workers and all working people. Serious attention is being paid to the said issue and a constant but a gradual solution of the problem will have far better results.

The young working class and the working people of our country, due to the lack of attention of the past reactionary regimes are with particular difficulties faced this problem and the programme of action of the PDPA has also considered solution of that social issue. The PDPA at its scientific programme has formulated the performance of this duty as follows, "Assistance in the sphere of construction of residential buildings for the workers and all working people and betterment of the living conditions of the inhabitants".

Therefore, in its overall outlook the solution of the social problem is clear, i.e., all the working and deprived masses of the society will not only be provided in the future with residential means, but with better living conditions as well.

Therefore, this fact is always at the focus of attention of the PDPA. A Politburo of the PDPA CC in one of its sessions passed a valuable resolution aimed at just distribution of residential blocks and state plots for Kabul citizens.

The latest session of the Politburo of the PDPA CC has stressed on the gradual solution of the residential problems as one of the main objectives of the April Revolution.

Betterment of the distribution of residential houses and plots belonging to the state based on the just criteria is one of the first steps for the concerted organs. The later steps will be "real possibilities of doing away with homelessness and modernisation of residential buildings". For "the objective of the PDPA is tranquility of the people, realisation of this objective has unbreakable link with solution of the residential problems".

CSO: 4600/633

AFGHANISTAN

REFORM SOUGHT IN CONTENTS, METHODS OF NEW EDUCATION

Kabul KABUL NEW TIMES in English 28 Jul 85 p 1

[Text] Kabul (BIA).--The implementation of the new system of education and its ensuing growth forms one of the major objectives of the National and democratic April Revolution (1978), said a spokesman of the Education Ministry of the DRA to a Bakhtar correspondent.

The spokesman added that under the new system of education basic reforms are being brought in the contents of the textbooks, methods of teaching and educational curricula. According to the new system of education, the pupils will learn the prevailing knowledge, the fundamentals of science and the grounds will be paved for their intellectual growth.

Elaborating on the new system of education, the spokesman said that under the new system, the primary education covers first to fifth grades. The children learn their mother tongue and arithmetic at this level. The primary education is compulsory and the pupils can be admitted at the age of six.

At the intermediate level, that is, in grades six, seven and eight, the school pupils will learn the fundamentals of physics, biology, chemistry and other subjects. It should be pointed out that religious subjects are being taught in the schools.

The pupils in the ninth through eleventh grades are prepared for university education.

It is a world-wide procedure that the education system is reviewed in every seven years. Prior to the April Revolution of 1978, the textbooks and the curricula were in line of the educational system of reactionary countries but after the April Revolution, the textbooks and programs were reviewed. Over 300 titles of new books were officially compiled. Over 20 thousand teachers have participated in seminars in order to boost up their levels and to orient them with the new system of education.

The new system of education has brought about desirable results and the standard of education has considerably gone up.

CSO: 4600/634

AFGHANISTAN

OVER 10,000 PEOPLE ENROLLED IN LITERACY COURSES

Kabul KABUL NEW TIMES in English 28 Jul 85 p 2

[Text] Eradication of illiteracy in the country is one of the goals and tasks of the PDPA and state of the DRA. The national movement for the elimination of illiteracy gets wider dimensions with every passing day. The party organs and committees assume a notable role in this sacred task.

The president of education department of Herat Province has given some explanations about the coordination commissions for eradication of illiteracy in Herat. He said that with the promulgation of decree No. 28 of the Revolutionary Council of the DRA a thorough campaign was started for eradication of illiteracy. This process began in Herat province as well. Some 566 literacy courses have been opened in Herat Province as a result of the efforts of the party and state organs.

The courses are taught by 193 teachers of the Literacy Campaign Directorate and 93 volunteers.

As many as 10,694 people are enrolled in the said courses. A crash work was launched during the current year for literacy campaign, as a result of which 35 courses were newly opened where 500 people were enrolled.

The role of the party and DYOA organisations has been noteworthy in upholding the onward move of this movement. Effective methods have been applied in organising the literacy students.

National Jirgahs (assemblies) have been held with the participation of patriotic clergymen, preachers and tribal chiefs aimed at better coordination of literacy affairs.

This method has to a great extent foiled the enemy propaganda. The enemies create obstacles on the path of this campaign and the counter-revolution threatens our people so that to keep them in ignorance.

The counter-revolution, for instance, shot dead Ghafar, a teacher in Herat, who taught the children of his area. The students and children condemning the barbarous deeds of the counter-revolution, resolved to follow the path of science and knowledge with ever consistency and bravery.

Two adult schools are also functioning in Herat where 70 students are following their study.

The prevailing conditions of our society require all the teachers to take ever active part in making the individuals literate. They should flutter the banner of campaign against illiteracy in the remotest localities of the country. The patriotic Afghan teachers spare no effort on this path. We firmly believe on the increasing victories of this movement.

CSO: 4600/634

INDIA

COMMENTATOR ON DEVELOPMENTS IN INDO-PRC RELATIONS

Bombay THE TIMES OF INDIA in English 15 Aug 85 p 8

[Article by Inder Malhotra]

[Text]

FOR the last fortnight or so it has been widely known in New Delhi that Mr. Rajiv Gandhi has ordered the mandarins of south block to undertake an "in-depth" review of India-China relations. As a refreshing departure from past practice he has also directed them to harness for this purpose such expertise on China as exists in the country outside the cloistered sanctums of the bureaucratic labyrinth. The idea is to take a long view of the China policy and not be rushed into reacting to various developments or Chinese suggestions in an ad hoc manner, as has unfortunately been the case often enough, and not in relation to China alone.

The need for such a comprehensive review and for an integrated, overall policy framework within which various moves in the game of Chinese chequers could then be fitted, has indeed been heightened by what has happened during the four years and two months since the India-China dialogue was resumed.

Not to put any gloss on things, the fact must be faced that the five rounds of official-level talks between the two countries on the key issue of the border have been cordial but sterile. The two sides have practically abandoned even the search for an agreed set of principles to guide their discussions on the substance of the boundary question. There is a crumb of comfort inasmuch as the Chinese have agreed to the Indian proposal for a sector-by-sector approach. But they also remain insistent on Mr. Deng Xiaoping's "package deal"

(China's recognition of the Mc Mahon line in return for Indian acceptance of the status quo) virtually on a take-it-or-leave-it basis.

It is noteworthy, moreover, that the Deng package, which is far more unfavourable to this country than a similar deal offered by Mr. Zhou Enlai in April 1960, has never been spelled out during the officials' talks. The offer was made in an interview by the Chinese elder statesman to a visiting Indian journalist, Mr. Krishan Kumar, on the eve of the first round of official talks in Beijing in January 1982.

Unacceptable Stand

Nor can it be overlooked that the Chinese refuse to discuss with this country Sikkim's northern boundary with the Tibet region of China, established by the Anglo-Chinese convention of 1890 and partially demarcated on the ground five years later. Beijing also declines to discuss the frontier to the west of the Karakoram because it abuts on the Kashmir areas under Pakistan's occupation and is subject to a "provisional" agreement between Pakistan and China, signed in 1963.

It is against this backdrop that the Chinese side is trying vigorously to revert to its original position that the border issue, being contentious, be put on the back burner and that the two countries should proceed to normalise and improve their relations in all other spheres including commerce and culture. The Chinese add though, for good measure, that

the border talks be elevated to political level in the hope that ministers might succeed in doing better than senior officials.

The Chinese stand is clearly unacceptable to this country. The border issue is of overriding importance to India-China relations and cannot be sidetracked or put aside, as was made clear, at the very start of the current dialogue, to the then Chinese foreign minister, Mr. Huang Hua. He was told that while the absence of an agreement on the border question was not a bar to normalisation of relations between the two countries in various fields, progress in all these spheres would depend on, and be determined by, the progress made in solving the border issue. The elevation of the level of border talks by itself is no guarantee that they would be more productive than hitherto.

To an extent, it would seem, the Chinese have succeeded in having their way. Precious little advance has been made on the boundary issue but there is visible improvement in India-China relations in several respects.

For instance, trade relations with China are on an even keel even though actual India-China trade this year may be very small because of an unusual shortage of commodities. However, a trade agreement with China exists and a trade protocol is likely to be signed before the end of this year, specifying the quantum and value of various goods and commodities to be exchanged.

Other Side Of Coin

Even more significant is the current visit to this country by the Chinese minister for metallurgical industries, Mr. Li Dunge. China already produces 42 million tons of steel and this quantity is sought to be more than doubled in the next 15 years to a whopping 90 million tons. For this, China needs iron ore and Mr. Li is here looking at the suitability of Goan ore for Chinese needs. A deal on this score alone can lead to an abrupt and big leap in India-China trade.

Given the nature of Chinese society, travel between this country and China is as free as it is ever likely to be. Pilgrimages to Kailash and Mansarovar take place every year, as agreed and smoothly. In bilateral

diplomatic and other dealings between the two countries, courtesy has replaced curtness of yore. Only the other day, Mr. Li Lianqing became the first Chinese ambassador to this country to address the National Defence College — a privilege that has previously been extended to quite a few envoys including those of the U.S., the Soviet Union and Pakistan.

For their part, the Chinese have been making a series of proposals designed to accelerate the process of normalisation with this country without there being any move forward on the border issue.

They have, for instance, been repeatedly asking for a visit to Beijing by Mr. Rajiv Gandhi. They have also suggested the reopening of the Indian consulates-general in Lhasa and Shanghai and the Chinese ones in Calcutta and Bombay, closed down way back in the sixties.

Such moves do have an impact on public opinion, in this country as well as abroad. People usually react to the broad idea, unmindful of the subtle complexities underlying what appears on the surface. Moreover the Chinese are fully aware that there exists in India a group of people noisily advocating immediate acceptance of a settlement with China on whatever terms it chooses to offer. That many of these people were once implacably hostile to China and tended to be furious if an Indian diplomat was so much as seen within spitting distance of his Chinese counterpart does not seem to matter. Beijing is understandably happy to manipulate the current situation to its advantage.

The other side of the coin, however, is that New Delhi cannot afford to be seen to be following only a "reactive" policy, rejecting or accepting what the Chinese might propose, without generating a positive thrust to its own pursuit of Indian national interests in its quest for better relations with China.

Deeds Not Words

This then is the genesis of the thoroughgoing policy review the Prime Minister has ordered. There is no point anticipating the review's outcome. But since the exercise is not being undertaken in a vacuum and there are unchanging im-

peratives of any relationship like the one between the two Asian giants that this country and China doubtless are, it will not be out of place to mention some of the considerations which cannot but influence policy makers. Two of these merit special attention.

First, while both India and China have equal stakes in durable friendliness with each other there can be no escape from the primacy of a settlement of the border issue in this connection. That being so, such proposals as the reopening of the consulates-general only put the cart before the horse. For such a reopening can be a culmination of the process of normalisation, not its starting point.

A premature reopening of the consular mission in Lhasa in particular would be fraught with serious implications, especially at a time when China has failed in its attempts to win over the Dalai Lama, is anxious to open up Tibet to tourism and trade via Nepal and is reportedly planning to invite other countries in the region to open consulates in a place formerly forbidden to them.

Similarly, the time can hardly be said to be ripe for a prime ministerial visit to Beijing though Mr. Rajiv Gandhi and the Chinese prime minister, Mr. Zhao Ziyang, are due to meet in New York during the U.N.'s 40th anniversary celebrations in October.

The second — and more important — consideration in formulating an overview of China is what it is doing in India's neighbourhood. Unfortunately, despite a certain change in its public statements on the subject, much of China's activity in neighbouring countries, most notably Nepal, remains inimical to India. There is no attempt on Beijing's part to show any respect to this country's vital security interests to the south of the Himalayan crest. On the contrary, the traditional military and political support by China to Pakistan is being supplemented by the widening of the strategic Karakoram highway.

Probably the dialogue with China will move faster and go farther if Beijing can be persuaded that in the dealings between nations, as in those between individuals, deeds matter more than words.

INDIA

SOVIET ROLE IN DEVELOPMENT OF IOC DISCUSSED

Bombay THE TIMES OF INDIA in English 17 Aug 85 p 5

[Text]

BOMBAY, August 16.

WITH the assistance of Soviet Union, Indian Oil Corporation has taken giant strides and emerged as the biggest public-sector organisation, Mr. B. K. Bakhshi, director (marketing) of the corporation, said here today.

Speaking at a function held to commemorate the receipt of the first Russian oil tanker 25 years ago, he said the Soviets helped the corporation in building three refineries with a total refining capacity of 16.6 million tonnes, representing 44 per cent of the total refining capacity in the country. Further, Russia gave oil against rupee payment. Till 1985, India received about 28 million tonnes of finished products valued at Rs. 4,760 crores and over 18 million tonnes of crude oil valued at Rs. 3,500 crores.

Mr. Bakhshi said that the first agreement with the Soviet Union for import of petroleum products was signed on July 15, 1960 and the first oil tanker

"Uzhgorod" discharged the consignment of over 11,000 tonnes of high speed diesel on August 17, 1960 at Bombay. The Indian army helped sparing its tank 'Antop Hill' in Bombay.

This event, though went unnoticed at that time, ushered in a great era of oil marketing in public sector independent of multinational. The scenario during the last 25 years had completely changed. India is now on the oil map of the world with oil discovery in Gujarat and Bombay High.

Mr. B. G. Deshmukh, chief secretary, government of Maharashtra, who was the chief guest, complimented the Soviet Union for its assistance in many sectors, particularly oil and hoped that the friendship and co-operation between the two countries would continue to flourish.

He presented special mementoes to the consul-general of U.S.S.R. in Bombay, major general southern command of the army service corps, the chairman of Bombay Port Trust and the trade commissioner for U.S.S.R. in Bombay.

CSO: 4600/1680

INDIA

INTEREST IN NEW CODE OF CONDUCT FOR SUPERPOWERS NOTED

Madras THE HINDU in English 19 Aug 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Aug. 18.

An ambitious attempt is being made by some Third World countries to bring about a sort of *modus vivendi* between the two superpowers by inducing Moscow to avoid provocations to U.S. intervention in Central America in return for a reciprocal commitment by Washington to disengage itself from further involvement in Afghanistan.

A series of informal soundings have been made in various world capitals by diplomats of some Non-Aligned countries, without directly involving their heads of Government, to get this message across to the U.S. and the Soviet Union.

Though Moscow and Washington are not averse to the idea of such an understanding, they have not reacted to the suggestion to the extent of indicating their readiness to give serious consideration to it. But they have not discouraged the promoters of this proposition from pursuing it to the point of making a formal approach on these lines to them before the Reagan-Gorbachev summit in November in Geneva.

Reagan's desire: A few insiders in the U.S. Administration who are close to the White House have been plugging the line, in the course of their private discussions with some Third World diplomats in Washington, that the President Mr. Reagan had embarked on his second term with a definite desire to make some major moves on the international scene during the remaining years of office to go down in history as a man of peace who did whatever he could to arrive at a reasonable understand-

ing with the Soviet Union.

The new Soviet leadership, too, has been trying to impress on all concerned that Moscow was not seeking a confrontation with the U.S. but striving in its own way to avoid a conflict with Washington. The Soviet diplomats are now talking of their country's need for at least two decades of peace to be able to forge ahead into the new technological era.

India's interest: As the biggest country in South Asia, India is vitally interested in the prospect of such an accord between the two superpowers to desist from avoidable provocations in areas of more proximate concern to either of them. Any understanding of this nature, however limited might be its scope, leading to an Afghan settlement would contribute to the peace and stability of South Asian region.

It is for this reason that some senior Indian diplomats have been toying with the idea of a Third World role in nudging the two superpowers to evolve a new code of conduct, as it were, forbidding themselves from engaging in political or military provocations in each other's backyards like Central America or Afghanistan. If no American President can afford to let Moscow interfere in the internal affairs of Central America, it stands to reason that the Soviet Union also cannot remain silent in the face of American interferences in Afghanistan.

The initial response of both Moscow and Washington to this principle of non-interference in each other's areas of vital concern has been quite encouraging up to a point, but what will come out of this effort is anybody's guess at present.

CSO: 4600/1683

INDIA

CONCERN OVER SOUTH AFRICA

Bombay THE TIMES OF INDIA in English 13 Aug 85 p 9

[Text]

AMRITSAR, August 12 (PTI): The SGPC president, Mr. G. S. Tohra, today opposed early elections in Punjab.

Talking to pressmen, he said the time was not yet 'appropriate' for the elections and all the national opposition parties were also opposed to holding the elections immediately.

In reply to a question, he said the time was not appropriate as special courts still existed, youths were kept in jail, army deserters problem still was not solved, no regret was expressed for 'operation Blue Star' and no assurance given against entry of the police and security forces into the Golden Temple complex in future.

He criticised yesterday's police patrolling on the road separating SGPC buildings from Golden Temple.

Mr. Tohra described as "false and a white lie" the reported claim of the union agriculture minister, Mr. Buta

Singh, that he had prior knowledge of Operation Blue Star.

Mr. Buta Singh reportedly have made this claim while addressing a political conference in Patiala district yesterday.

Meanwhile, the Punjab governor, Mr. Arjun Singh, arrived in Delhi today for consultations with the central leaders on the situation in the state.

Mr. Arjun Singh is likely to submit his report to the Prime Minister, Mr. Rajiv Gandhi, on the latest law and order situation in the state.

The Centre will take a decision some time this week on the question of holding of elections in Punjab before the expiry of the present spell of the President's rule on October 5.

The chief electoral officer of Punjab has also been asked by the chief election commissioner to send his report on the general law and order situation in the state.

CSO: 4600/1693

INDIA

SWEDISH AID INCREASES

Madras THE HINDU in English 19 Aug 85 p 11

[Text]

NEW DELHI, Aug. 18.

Sweden will give India bilateral aid equivalent to Rs. 50 crores (Swedish Kroner 350 millions) a year during 1985-86 and 1986-87, representing an increase from the previous level of aid of Skr 340 millions a year.

Of this, Rs. 7.2 crores (S.kr 50 millions) will be utilised for general import of goods and services from Sweden and Rs. 14.4 crores (S.kr 100 millions) for imports from Sweden in the energy sector. An agreement to this effect was signed at the conclusion of talks between a visiting Swedish delegation and Indian officials here.

The agreement provides Rs. 28.8 crores (S.kr 200 million) a year for financing local cost projects in sectors like forestry, drinking water supply, health, etc.

Development assistance from Sweden is on 100 per cent grant basis. Besides the agreement signed now, the Swedish authorities will provide concessional assistance from a separate fund called BITs from which an appropriate amount will be allocated for an Indian project subject to mutual agreement on *ad hoc* basis. India has received about Rs. 506 crores of Swedish economic assistance since 1964.—Our Special Correspondent.

CSO: 4600/1693

INDIA

FRG TAX AGREEMENT

New Delhi PATRIOT in English 18 Aug 85 p 2

[Excerpt]

A new Indo-German agreement for the avoidance of double taxation provides for a lower rate of tax at 15 per cent on dividends paid on sharps capital issued from 1 April, 1984 onwards. This and certain other incentives for new investors are built into the double taxation between India and West Germany, which came into force on 10 August. It takes retrospective effect in Germany from January 1984, and in India from April last, reports PTI.

According to a press release from the Indo-German Chamber of Commerce, apart from the reduction of tax on dividends from 25 per cent to 15 per cent, the minimum shareholding in the joint venture, which entitles to the inter-corporate privilege, has been reduced to 10 per cent from the present 25 per cent.

This is an important step, the release says, because about 80 per cent of the Indo-German joint ventures have a German minority shareholding, many of which with a German share capital of less than 25 per cent.

Another new feature is the reduction of the Indian tax on fees for technical services from 40 per cent to 20 per cent.

The agreement is considered to be the most modern of its kind that India has so far signed with any country, according to the release.

CSQ: 4600/1693

INDIA

SOVIET JUTE ORDER

Calcutta THE TELEGRAPH in English 14 Aug 85 p 6

[Text]

Calcutta, Aug. 13: The USSR has placed an order for the purchase of 2,500 tonnes of jute sugar bags and about 1,100 tonnes of heavycees with Indian exporter mills here today.

The order includes two types of sugar bags valued at Rs 565 and Rs 691.50 per 100 bags respectively, while the heavycees are priced at Rs 918 per 100 bags. Industry sources said that earlier on August 9, the USSR had placed an order for the supply of 2,000 tonnes of sugar bags.

Meanwhile, 18 persons were arrested for illegal forward trading and option business in raw jute and jute goods here on Saturday. The raid was conducted by the Forward Markets Commission cell jointly with the enforcement branch of the Calcutta Police, at Clive Row and India Exchange Place. The police also seized some incriminating documents.

CSO: 4600/1693

INDIA

SOVIET MINING METHODS

Calcutta THE STATESMAN in English 13 Aug 85 p 15

[Text] Soviet mining methods are being introduced in the Tipong colliery at Makum coalfield (Margherita), under the North-Eastern Coalfields Limited, to increase coal output and provide better safety to miners. For this purpose 33 persons have been trained at Soviet coal mines, according to a spokesman of the Coal India Limited.

He said the depletion of coal reserve above the ground level of Tipong called for a change in the earlier mining methods, especially in places where high rainfall--varying from 2300 mm to 3000 mm--occurred in a year.

The coal in the area contains a very low ash content of about 4 percent, but stone adversely affect its quality. However, a plan has been drawn up to extract 2.60 lakh tons of coal in 1985-86 and 6 lakh tons in 1999-2000. At present, the annual output is 2.5 lakh tons, the spokesman said.

The spokesman further said that the Soviet systems provided a higher percentage of coal extraction--nearly 79-80 percent--and an output of 200 to 500 tons each day against 35 to 40 percent and 250 to 370 tons respectively as compared to the Tipong method.

CSO: 4600/1693

INDIA

SPEECHES AT BANQUET FOR TANZANIAN PRESIDENT REPORTED

Calcutta THE STATESMAN in English 26 Aug 85 p 1

[Text]

NEW DELHI, Aug. 25. — India and Tanzania today expressed concern over the deteriorating situation in South Africa and condemned the atrocities perpetrated by the racist regime in Pretoria.

Speaking at a banquet in honour of the Tanzania President, Mr Julius Nyerere, who arrived here this morning, President Zail Singh said that the imposition of emergency in many parts of South Africa had worsened the plight of the black majority.

The President, referring to the wanton aggression of the Pretoria regime against its neighbour and in defiance of the Security Council resolution on Namibia, said that South Africa "had been emboldened by the unfortunate stand of some powerful countries who are lending open or covert support to the manoeuvres of the racists to thwart a peaceful settlement in Namibia".

Giani Zail Singh focussed attention on the military presence of the great powers in the Indian Ocean and its threat to India and hoped that next year's conference on the subject would come up with concrete plans for the implementation of the 1977 U.N. declaration on the security of littoral States.

Recalling the longstanding and close relations between India and Tanzania, President Zail Singh expressed regret at Mr Nyerere's decision to step down from office and said that his absence would be felt in the non-aligned and other

forums. He wished Mr Nyerere success in his new mission of serving his people and promoting world peace.

Mr Nyerere was given a warm welcome on his arrival here today on the first leg of a three-nation tour before laying down office later this year. He was met on his arrival by President Zail Singh, and Mr Rajiv Gandhi. Also present were the Lok Sabha Speaker, Mr Balram Jakhar, members of the Union Cabinet, the Chairman of the Policy Planning Committee, Mr G. Parthasarathy and the Foreign Secretary, Mr Romesh Bhandari.

In his brief speech, Mr Nyerere expressed confidence that the old ties between his country and India would continue under his successor. Mr Zail Singh described Mr Nyerere as a trusted friend of India and "an outstanding leader of not only Tanzania or Africa, but also of the non-aligned world".

Mr Nyerere spoke of India's economic and political support to the South African and Namibian independence movements and said that New Delhi's voice had always been "clear and uncompromising". He said: "We who are closely involved in Africa's liberation greatly appreciate this support, especially coming as it does from so influential a Third World country".

President Nyerere affirmed that his relinquishing office would not affect Indo-Tanzanian ties. He said the friendly ties, "do not depend on the personalities of our leaders".

Mr Nyerere visited North Korea and China before coming to Delhi.

3 October 1985

INDIA

ANALYST TELLS INDIAN STAND ON SRI LANKA DEVELOPMENTS

'Dismay' at Government Actions

Madras THE HINDU in English 19 Aug 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Aug. 18.

The new policy-makers in Delhi, who have been giving the benefit of doubt to the Sri Lankan President, Mr. J. R. Jayewardene, hoping that he could be persuaded or placated to adopt a more helpful attitude towards the Tamil problem, are now feeling dismayed and badly let down by him.

They now realise, much to their embarrassment, that the wily old President of Sri Lanka has gone back on his promise to give the Tamils the substance of autonomy and has started toying once again with his totally unacceptable scheme for token devolution.

The current Indian efforts are directed at preventing a complete breakdown of the Thimpu talks, and keep some sort of dialogue going between the Sri Lankan Government and the Tamil leaders, if only to avert the danger of renewed violence. It is with this objective in view that the Foreign Secretary, Mr. Romesh Bhandari, has been asked to find some way out of this tangled situation to enable the Tamil leaders to return to the negotiating table without compromising their position.

After Mr. Bhandari returns to Delhi and reports to him on what exactly happened at Thimpu, the Prime Minister, Mr. Rajiv Gandhi, will probably speak to Mr. J. R. Jayewardene on the telephone to urge him to adopt a more constructive approach to these negotiations. Mr. Jayewardene is likely to be told that the talks have not moved forward because the limited devolution offered by the Sri Lankan delegation has fallen far short of what had been promised by him during the summit talks in Delhi on the basis of which the Government of India had prevailed upon the Tamil militants and moderates to seek a negotiated settlement.

Colombo's strategy

The Sri Lankan Government is reported to be proceeding on the assumption that the Tamil militant groups continue to be divided over the very concept of autonomy within a united Sri Lankan State, leading to a virtual abandonment of the ideal of Eelam. Its strategy is evidently aimed at pushing these militants into a corner and compelling them to take up a rigid stand in the hope of provoking the Government of India into denying them the advantage of functioning from Madras.

But Mr. Jayewardene and his advisers are making the big mistake of imagining that India is going to walk into this trap and withdraw its support to the Tamil cause. On the contrary, there is considerable disappointment in Delhi that Mr. Jayewardene has clearly gone back on his commitment by shying away from the idea of fuller autonomy for the provinces.

Fresh instructions

According to reports reaching Delhi, the leader of the Sri Lankan delegation, Mr. Hector Jayewardene, was in frequent contact with his brother in Colombo since yesterday seeking fresh instructions on what more could be offered to enable the Tamil leaders to return to the negotiating table. The Indian Foreign Secretary has been pressing him to come forward with an enlarged package approximating to what had been contemplated in Annexure "C" to give the offer at least the semblance of substantial devolution.

Disquieting reports

There have been some disquieting reports from Colombo that the Sri Lankan Government has been utilising the ceasefire to reorganise and reequip its trigger-happy security forces. The savage killings of innocents in the Northern and Eastern provinces, whatever the numbers of casualties, have appalled those in Delhi who have been working hard behind the scenes to bring about a settlement of this ethnic problem.

At a time when the new Government in Delhi was inclined to take a more sympathetic view of Mr. Jayewardene's concerns and constraints, his latest bid to wriggle out of his solemn commitment to offer fuller autonomy to the Tamil minority has shaken India's faith in him. It is going to be extremely difficult for Mr. Gandhi to rely on his assurances if the Sri Lankan delegation in Thimpu is not going to come forward with a more credible scheme for greater devolution.

Efforts at Persuasion

Madras THE HINDU in English 20 Aug 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Aug. 19.

The current Indian efforts to avert a total breakdown of the Thimpu dialogue are directed at both persuading and pressuring the Sri Lankan President, Mr. J. R. Jayewardene, to stop the army outrages and honour his promise to set up directly elected, full-fledged provincial councils as principal units for devolution.

A simultaneous attempt is being made to prevent a parting of ways between the Tamil moderates and militants in the wake of the near deadlock at Thimpu, with the TULF leaders inclined to keep up the dialogue for what it is worth and the ENLF groups threatening to resume the armed struggle in the wake of the continued ceasefire violations by the marauding Sri Lankan Armed Forces.

The Indian strategy is to pin down Mr. Jayewardene to his commitment to set up directly elected provincial councils quite independent of district councils by amending Article 76 of the Sri Lankan Constitution, which can be done by utilising the ruling party's two-thirds majority in Parliament without recourse to a referendum. The necessary legislative powers can be conferred on these provincial councils by law, while the executive powers vested in the President could be delegated by him within the framework of Sri Lanka's Constitution.

If the Sri Lankan Government delegation comes out with this offer even at this late stage with a set of proposals designed to provide a constitutional basis for it, the Government of India can intercede and prevail on the Tamil leaders, both the moderates and the militants, to return to the negotiating table. But if Mr. Jayewardene continues to insist on treating the district councils as the real pivotal points of his participatory democracy to deny the provinces any representative character of their own, then the whole effort to find a peaceful political settlement by granting a credible measure of autonomy to the Tamil area will fail in the face of this obduracy on the part of the Sri Lankan Government.

The Tamil leaders have reason to suspect that the whole purpose of Mr. Jayewardene's *volte face* on the question of direct elections to provincial councils is to reduce the Tamil majority in both the northern and eastern provinces by giving weightage to other communities in the mixed districts through proportional representation. It is for this reason that he has been adhering to his earlier insistence on holding elections only to the district councils which would jointly constitute the provincial councils, even at the risk of being accused of going back

on his promise to have directly elected provincial councils to give the Tamils in the northern and eastern provinces some semblance of regional autonomy with all its limitations.

Though there is no meeting ground at present between the Sri Lankan and Tamil positions, the Government of India is striving hard to evolve some new formulations that would enable the two sides to resume the interrupted dialogue. The Foreign Secretary, Mr. Romesh Bhandari, who has been in close contact with both sides in Thimpu, is flying back to Delhi tomorrow for consultations, before returning to the Bhutanese capital to continue his mediatory efforts.

If a reasonable basis could be found for the resumption of negotiations, it should be possible to persuade the representatives of the militant groups who have left Thimpu to get back to Bhutan. The Sri Lankan delegation and the TULF leaders are staying on in Thimpu pending

the outcome of the Indian moves to find a way out of this highly complex situation.

At the moment, the highest priority is being given to ensuring that the ceasefire will hold despite the army excesses and other provocations, while efforts are on to get the dialogue going again. If there is a resumption of fighting between the Tamil militants and the Government forces, it will be impossible to bring about another ceasefire in the near future.

It was in this context that Mr. Bhandari went to Colombo before the start of the Thimpu talks with the brief to caution Mr. Jayewardene and his colleagues that this was their last chance to find a peaceful settlement. And the Tamil leaders, too, were told through different channels that a settlement could be reached only through a balance of concessions from both sides.

CSO: 4600/1683

INDIA

INDIA CONVEYS CONCERN OVER U.S. 'TERRORIST' CAMP

Calcutta THE STATESMAN in English 26 Jul 85 p 1

[Text] New Delhi, 25 Jul--India has "forcefully" raised the matter relating to the reported training of terrorists in a mercenary school in Alabama with the U.S. Administration. Mr Khurshed Alam Khan, minister of state for external affairs, told the Rajya Sabha today.

"Our concern at the training given to the extremist elements has been conveyed to the USA at various levels," Mr Khan said in response to a call-attention motion.

He said that the mercenary training school is the Recondo school at Hue Ville, 30 miles from Alabama, USA. It was run by Mr Frank Camper. Four Sikh extremists, namely Balraj Singh, Lal Singh, Avraj Singh and Sukhwinder Singh, reported for a training course in November 1984 at the school.

They expressed the desire to Mr Camper to be trained in small arms, the use of explosives, street fighting and assassination. They also wanted to be trained in blowing up bridges, hotels, nuclear facilities and other vital installations in India. They also conveyed that they would like to be trained in chemical sabotage, so that they could create a situation something similar to the one that occurred in Bhopal.

The evidence collected by the FBI showed that "this was part of a larger conspiracy." "The arrest of five people in the first week of May 1985 by the New Orleans police on different charges, namely, conspiracy to possess and receive explosives, possession of unregistered firearms, conspiracy to assassinate an internationally protected person, goes to confirm this. Of the five arrested, Sukhinder Singh had received training in the Camper school. Lal Singh had also received training there and he is wanted by the FBI in connection with the same case. An indictment for conspiracy was filed by the U.S. authorities in the district court, Louisiana, on 9 May 1985. The case is pending," Mr Khan said.

The publicity given to the Camper school has led to considerable concern in the USA and the Senate sub-committee on terrorism, headed by Senator Delton, is reportedly thinking of investigating the whole matter, he said. "Our embassy in Washington is in touch with the Senate sub-committee."

"The U.S. position is that these are not terrorist training schools, but mercenary schools giving regular military type training and that the schools conform to State laws. They are examining how far the federal law can be better applied, to regulate such schools," Mr Khan said.

The minister assured the members that the government would do everything possible to check terrorists. The members, cutting across party lines, condemned the U.S. administration for allowing such schools to give training to terrorists.

PTI adds: The government has no information about a Western plot to destabilize India, Mr Khan informed Mr D. G. Patil in the Rajya Sabha today.

Mr Patil has asked whether the government was aware of such a plot with operational headquarters at Islamabad to destabilize the four Indian states of Jammu and Kashmir, Punjab, Gujarat and Rajasthan.

CSO: 5650/218

INDIA

PRESS REPORTS EFFORTS TOWARD SOLUTION OF TAMIL QUESTION

High Commissioner on Adjournment

Calcutta THE STATESMAN in English 23 Aug 85 pp 1, 9

[Excerpt] Colombo, Aug. 22--The Thimphu peace talks between the Sri Lankan Government and the Tamil groups on resolving the island's ethnic issue stand adjourned indefinitely, plunging the strife-torn island into another period of uncertainty, report Reuter, UNI and PTI.

The Indian High Commissioner, Mr J. N. Dixit, announced the adjournment at a Press conference here and said "India regrets that the negotiation process had adjourned before coming to a definite and positive conclusion."

It was India's assessment that the talks had to be adjourned because of the resurgence of violence in the island and also because there was "some gap" between the expectations of the Tamil delegations on a solution and what was offered by the Sri Lankan Government, Mr Dixit said.

India, however, felt that the interaction between the two groups during the past few months had resulted in "some forward movement," but the complexities were such that some gap still remained.

Mr Dixit said he had conveyed to President Jayewardene that the Government of India hoped the cease-fire between the militants and the security forces, announced on June 18, would be maintained "to every extent possible" so that the talks could be resumed at a later date in a more conducive atmosphere.

He said he had also conveyed to Mr Jayewardene that the Indian Government would remain in touch with the Tamil groups to ascertain their aspirations and to explore the possibilities of bringing about an agreement between the two parties.

Analyst on Dixit Statement

Madras THE HINDU in English 23 Aug 85 p 1

[Article by G. K. Reddy]

[Excerpt] New Delhi, Aug. 22--The leader of the Sri Lankan Government delegation, Mr. Hector Jayewardene is arriving in Delhi tomorrow from Thimpu, on his way back to Colombo, to meet the Prime Minister, Mr. Rajiv Gandhi, and also to exchange views with the Foreign Secretary, Mr. Romesh Bhandari, on the efforts being made to bring about a resumption of the dialogue on the Tamil problem.

Mr. Hector Jayewardene will discuss with Indian constitutional experts on finding a workable way for dividing the law and order powers between the proposed provincial councils and the Sri Lankan Central Government.

Not pressuring Tamil leaders: Apart from stressing the fact that the Thimpu talks have been adjourned and not abandoned in the wake of the latest army outrages, the statement issued by the Ministry of External Affairs late last night sought to indirectly reassure leaders of the Tamil militant organisations that India had no intention of exerting any undue pressure on them to resume the dialogue with the Sri Lankan Government without adequate assurances of strict observance of the ceasefire.

The statement was also intended to voice India's deep concern over the latest killings in the Northern and Eastern provinces, without projecting a gloomy picture of the near breakdown of the Thimpu discussions following these ceasefire violations by the Sri Lankan armed forces.

The latest Indian efforts are directed at persuading the Sri Lankan Government and leaders of the Tamil militant organisations to pledge themselves to honour the ceasefire, pending the resumption of the negotiations in a more conducive atmosphere. As it may take some time to bring the two sides to the negotiating table again, the Government of India is trying to get the ceasefire extended beyond the stipulated three-month period to give them more time to work out a broad framework for the proposed devolution.

Promise of autonomy: The Government of India wants the Sri Lankan President to honour his earlier promise to give the Northern and Eastern provinces the kind of autonomy, in whatever form, that would approximate to the powers enjoyed by the Indian States. But, the Sri Lankan delegation at Thimpu had hedged over this commitment by reviving the idea of devolution through district councils without transferring any legislative powers to the provincial councils or delegating executive authority to the local Governments.

Tamil Leaders' Statements

Madras THE HINDU in English 24 Aug 85 p 9

[Excerpt] Madras, Aug. 23--The ENLF, consisting of four Tamil liberation organisations--LTTE, EROS, EPRLF and TELO--has announced that its leaders are ready to go to New Delhi and meet the Prime Minister, Mr. Rajiv Gandhi, "at his convenience."

When the trip materialises, the four top leaders--Mr. V. Prabakaran of LTTE, Mr. Balakumar of EROS, Mr. K. Padmanabha of EPRLF and Mr. Sri Sabarathnam of TELO--will be accompanied by their political advisors who will be able to acquaint the Prime Minister with all aspects of the ethnic problem in Sri Lanka.

Mr. A. S. Balasingham, spokesman of the ENLF, who gave this information to reporters here today, after a meeting of the ENLF constituents, said they would impress on the Prime Minister how the Sri Lanka Government had not put forward any concrete proposals in the Phase I and II of the Thimpu talks and how it was merely buying time to build up its military machine. The four leaders would also apprise Mr. Rajiv Gandhi of the Sri Lanka Tamils' "long, bitter historical experience of betrayals and deceptions, of broken pacts and agreements" and tell him that it would be a futile exercise to continue the talks unless the Government of India exerted enough pressure on the Sri Lanka Government to come forward with a substantial proposal acceptable to Tamils as a basis for negotiations.

They would also present him with a comprehensive memorandum detailing the events of recent atrocities committed against the Tamils, giving him "facts and figures of the massacres in Vavuniya and Trincomalee, substantiated with photographs and video-films."

Lined up and shot: Replying to a question, Mr. Balasingham said that from the evidence obtained from the Tamil civilians at Sambal Theevu, Trincomalee, the ENLF was sure that more than 100 Tamils were lined up and shot dead by the Sri Lanka Army.

Regarding the ceasefire, he said that "in view of the continuous military violations by the Sri Lankan Armed Forces, we feel that there is no complete observation of the ceasefire by Sri Lanka... So, we reserve the right to retaliate in defence of our people. The ceasefire ceases on September 18. Once that date is past, we have the right to (go on the) offensive. Of course, the Government of India wants us to extend the ceasefire. Once the modalities of ceasefire are not observed, the extension of ceasefire is meaningless."

Mr. Balasingham also said that "our right to (go on the) offensive depends on the developing situation. If there is large-scale violence (against the Tamils), we will declare from what date the ceasefire ceases to exist."

Monitoring authority: Replying to a question, he said the demand for a monitoring authority on the ceasefire "entails intervention of a third party. At this particular moment, we do not want a third party's intervention, for this will take the struggle to a different direction."

He also said the ENLF did not attach much importance to the Sri Lanka President, Mr. J. R. Jayewardene's statement that he was ordering an inquiry into Vavuniya massacre. "It will certainly be a military commission of inquiry, which will never come out with facts."

The ENLF meeting also discussed steps to strengthen its structural unity and the need to work out a common political strategy. It had decided to appoint a committee to formulate a common strategy on political and military matters.

Hungerstrikers hospitalised: A spokesman of EROS said the three Tamil political prisoners in Welikade prison in Colombo--Suresh, a student of Peradeniya University, Mr. Kanagarathnam of Jaffna and Mr. Karunakaran, an up-country Tamil of Vavuniya--who went on a fast unto death on August 8 have been removed to hospital as their condition was causing concern. They were on a fast to protest against the intolerable treatment meted out to the Tamils in Welikade prison, to make known to the world the dimensions of the Eelam tragedy and to protest against their confinement for more than 18 months without charges being framed against them. Meanwhile, two more Tamil political prisoners--Manoharan and Yogeswaran--have also begun a fast unto death in Welikade prison.

The EROS spokesman also released to the reporters photostat copies of a letter written by one of the Tamil prisoners to Jaffna University students about how all their petitions to release them after 18 months when no charges were framed against them had turned out to be futile. The Tamil prisoners had also notified the Sri Lankan Defence Ministry that the prisoners would go on a fast unto death in relays from August 8, the letter said. The spokesman added that the Jaffna University students had started an agitation in support of the prisoners.

Agreement on Working Paper

Madras THE HINDU in English 30 Aug 85 p 1

[Article by G. K. Reddy]

[Excerpt] New Delhi, Aug. 29--After week-long vacillation, the leader of the Sri Lankan delegation, Mr. Hector Jayewardene, finally relented today and agreed to initial the final draft of the working paper with a set of annexures providing a broad framework for negotiations with the Tamil leaders for a political settlement of the island's ethnic conflict.

The Foreign Secretary, Mr. Romesh Bhandari, who played a key role in evolving this package, disclosed the salient features of this accord to the Tamil Nadu Electricity Minister, Mr. S. Ramachandran, to be conveyed to the Chief Minister, Mr. M. G. Ramachandran, who has been in touch with the leaders of the Tamil militant organisations in Madras.

Provincial Councils

The accord envisages the creation of directly elected provincial councils in the Northern and Eastern provinces of Sri Lanka, where no district councils exist at present, through a constitutional amendment by two-thirds majority that does not require to be ratified through a referendum.

The legislative and executive powers relating to subjects listed in the relevant annexures will be conferred on these two provincial councils and the chief executive councillors (Chief Ministers) responsible to them through a new law enacted by Parliament within a stipulated period from the conclusion of an agreement between the Sri Lankan Government and the Tamil leaders on the degree of devolution and the procedures for it.

The leaders of the largest parties or groups of parties commanding a majority in the two provincial councils will be appointed by the President as chief executive councillors and the other executive councillors will be inducted into office on their recommendation. These executive councils will function as provincial cabinets exercising the powers that are provided for in the final agreement.

But during these talks, the Sri Lankan delegation maintained that the people of the other seven provinces in the island would like these powers to be transferred to district councils by treating them as basic units for devolution. It will be open to them to delegate only such powers as they deem necessary to the provincial councils in their common interest.

As there are no district councils in the Northern and Eastern provinces at present, the Sri Lankan delegation insisted that the option should be given to them, as and when they are elected in due course, to decide for themselves whether they want the devolved powers to be delegated directly to the provincial councils or only through them as in other provinces.

There was a lot of discussion on the desirability of activating the defunct district councils even at a later date in the Northern and Eastern provinces and investing them with a virtual veto questioning the legality of delegating the devolved powers directly to the two provincial councils instead of channeling these through them. The Sri Lankan Government fought hard to retain this provision in the working paper, but it is bound to be challenged by the Tamil leaders during the resumed negotiations.

The Indian and Sri Lankan officials could not come to an understanding on the scope of shared responsibilities between the central and provincial executives over subjects like law and order, land settlement, education and culture, and public services. These subjects have been listed in the relevant annexures to the working paper and left open to be discussed and decided upon during the final negotiations with the Tamil leaders on the degree of devolution and the procedures for it.

But on the question of law and order, a limited accord was reached enabling the chief executive councillors of the Northern and Eastern provinces to

3 October 1985

exercise nominal control over the local police establishments, without prejudice to the centre's over-riding authority to station extra police forces and direct the local police officers to perform duties that come under the President's executive jurisdiction. A similar grey zone exists in defining the central and provincial roles in land management which also has been left open to be defined more precisely during the final negotiations.

Similarly, the administrative arrangements for Trincomalee have been left open for the present, since the Sri Lanka Government continued to insist that the whole port area and the surrounding territory should be under its direct control with the provincial executive exercising no authority of any kind over it. This position is totally unacceptable to the Tamil leaders who are prepared to let the Central Government have only the port trust under its jurisdiction.

Deported Tamil Leader Returns

Calcutta THE STATESMAN in English 30 Aug 85 pp 1, 9

[Text] Madras, Aug. 29--Mr S. C. Chandrahasan, convener of the Organization for the Protection of Tamils of Eelam from Genocide, returned here this evening to a hero's welcome, ending a sordid six-day drama during which he was flown hither and thither in an attempt to keep him out of the country.

India gave Mr Chandrahasan asylum in the wake of the July 1983 ethnic violence in Sri Lanka, for at least two months, in the mistaken hope that his absence would help hammer a political solution to the Tamil problem in the troubled island.

"I cannot seek refuge in any other country because I have always expressed my very strong views about India which alone can play an important role in solving the problem," Mr Chandrahasan wrote in a fervent appeal to Mr Rajiv Gandhi from Sahar Airport in Bombay this morning where he was detained since he was brought back from New York yesterday.

"I am confident that you and your mother always had the interests of the Tamils of Sri Lanka at heart and would not permit any injustice to be done to them," the appeal said, which melted the Prime Minister's heart to revoke the deportation order of August 23.

When the good news was conveyed to him at Bombay Airport shortly after noon, Mr Chandrahasan broke his six-day-old fast and took the first available flight to Madras to be with his wife and three small children.

Mrs Nirmala Chandrahasan, thanking Mr Gandhi and the Centre for revoking the deportation of her husband, said here that it showed the Prime Minister's concern for Mr Chandrahasan and his deep sympathy for the Tamils of Sri Lanka. "The great traditions of the Indian nation have been reaffirmed and justice and fair play have prevailed," she said.

Looking haggard and travel-weary, Mr Chandrahasan told reporters at his Nungabakkam apartment here this evening that the five militant organizations would not participate in further talks with the Sri Lanka Government delegation unless the other two departees, Mr A. S. Balasingam and Mr S. Sathyendran, were also allowed to return to "mother India."

While Mr Balasingam had been acting as the spokesman of the Liberation Tigers of Tamil Eelam, Mr Sathyendran was specially brought from London. Mr Sathyendran left Madras before the Government could deport him.

Mr Chandrahasan reiterated that it was his personal belief that the problem of Sri Lanka Tamils would be solved only when Eelam was established, which was the objective of the militants. He would, however, continue his fight for human rights, besides helping refugees from Sri Lanka.

Blissfully unaware of the reason for his deportation, Mr Chandrahasan said that while in New York, the Indian Ambassador to the USA, Mr K. S. Bajpai, told him that he was proving to be "a thorn in the flesh" in arriving at a negotiated settlement. It was to clear this misgiving he had sent a telex message to Mr Gandhi that "I have no intention of causing any embarrassment to the Government of India." The message added "I stand committed to a cause which means life and death to my people. My return at this critical moment will, I hope most sincerely, open the eyes and hearts of those millions of my brothers and sisters on whom we depend."

Mr Chandrahasan regretted that an impression had been created, though he was not a participant, that the Thimphu talks could not achieve a breakthrough because of him. The talks failed because of the Vavuniya and Trincomalee "massacre of innocent Tamils" and he had no role in the walk-out of the Tamil side.

The unrest in Tamil Nadu and neighbouring Pondicherry following the deportation drama has not shown any signs of abating even after the return of Mr Chandrahasan, compelling the Vice President, Mr R. Venkataraman, to defer his visit here tomorrow.

Mr M. Karnanidhi, president of the DMK and convenor of the Tamil Eelam Supporters Organization, said there was no change in the "rail roko" programme scheduled for tomorrow. The agitation would continue until the deportation orders on Mr Balasingam of the Liberation Tigers of Tamil Eelam and Mr Sathyendran of the Tamil Eelam Liberation Organization were also revoked. He said that any solution to the Sri Lanka ethnic problem other than the establishment of Tamil Eelam would only be a temporary and ad hoc arrangement.

Mr A. Amirthalingam, secretary-general of the TULF, welcoming the revocation of the deportation of Mr Chandrahasan, said that he would appeal to Mr Gandhi to do likewise in the case of Mr Balasingam and Mr Sathyendran. The TULF sent a telegram to the Sri Lanka President, Mr J. R. Jayewardene, demanding immediate cessation of violence by the armed forces against the innocent Tamils.

The Tamil Nadu Government took into preventive custody more than 3,000 people on the eve of the "rail roko" agitation. Though an attempt was made by the Chief Ministers, Mr M. G. Ramachandran, by deputing his Electricity Minister, Mr S. Ramachadran, to New Delhi this morning to prevail on the Prime Minister and the Railway Board to suspend traffic in the State tomorrow, the Chief Secretary, Mr T. V. Antony, after a co-ordination meeting of top police and railway officials, said the Government "was fully prepared to meet the situation."

CSO: 4600/1703

INDIA

PAPERS REPORT ON DEVELOPMENTS IN ASSAM

New Political Party

Calcutta THE TELEGRAPH in English 23 Aug 85 p 1

[Article by Seema Guha]

[Text]

Guwahati, Aug. 22: A new political party with Mr Prafulla Mahanta as president and Mr Bhrigu Phukan as vice-president will be launched shortly in Assam. The regional party which will contest the elections, will be open to all those who have been involved in the Assam movement.

According to Mr Bharat Narah, executive member of AASU, the Jatiyatabadi Dal is willing to accept Mr Phukan and Mr Mahanta as leaders of the party. Constituents of the AAGSP like the Assam Sahitya Sabha and the All Assam Karmachari Parishad are expected to join the party.

The Purbanchaliya Loka Parishad (PLP), the other political regional party which participated in the agitation along with the Jatiyatabadi Dal, is expected to stay away. The PLP and AASU leaders have been having differences for quite some time and the rift has now become public with the PLP refusing to back the accord signed between the movement leaders and the Union government.

The AASU will hold a convention within a month to decide the future course of action. The union executive, which has been functioning for the last six years, will be disbanded and the members are expected to retire from

the organisation. This is necessary as the AASU constitution forbids them from taking part in politics.

At a press conference held earlier in the Guwahati University, Mr Mahanta and Mr Phukan parried questions about their future plans saying that these issues would be discussed at an AASU executive meeting tomorrow.

Asked whether the agitation leaders would join politics, the AASU adviser, Mr Lalit Rajkhowa, said, "We will do what is good for Assam and what the people of Assam want us to do." Asked what they would do if the people wanted them to join politics, Mr Rajkhowa said, "We will." An executive member present at the press conference intervened to say that Mr Mahanta and Mr Phukan would "definitely join politics."

The AASU leaders said they would be chalking out the election strategy soon, but refused to divulge their plans at the moment. Mr Phukan said the elections would be fought with the Assam accord as the main issue.

Mr Mahanta said that before the accord was signed, the Prime Minister and home minister had assured agitation leaders that the caretaker ministry headed by Mr Hiteswar Saikia would not

have more than three ministers. After Mr Saikia announced the 17-member ministry, they had again met the Prime Minister and asked him to ensure that Mr Saikia out down the ministry size. The Prime Minister assured them that he had an open mind on this and promised to meet them again next month.

The AASU headquarters in the university is already crowded with ticket-seekers for the Assembly and parliamentary elections. Mr Bharat Narah said youth and women would be given proper representation in the distribution of tickets.

Bombay THE TIMES OF INDIA in English 30 Aug 85 p 9

[Text]

NEW DELHI, August 29: The central executive committee of the CPI, welcoming the signing of the Assam accord, said today that it would pave the way for restoring normalcy in the strife-torn state and terminate the agitation over the foreign nationals issue.

It appealed to the Assam agitation leaders to devote their energies to restoring unity of all communities, religious and ethnic, which was essential for the harmonious development of Assam's economic and political life."

The CEC, however, said it would have preferred 1971 as the cut-off year. Since 1966 had been accepted for the purpose of disenfranchisement an additional responsibility devolved on the government to ensure that the minorities and their rights were adequately protected.

The Assam law minister, Mr. A. M. Mazumdar, said in Calcutta yesterday that while the recent accord on the foreigners issue had been generally welcomed as it ended the six-year-old agitation, there were some misgivings in the minority minds that the agitation leaders might go back on it. He felt however, that West Bengal's Left Front had "over-reacted" to the accord, as there was nothing in it which could harm the minorities.

A person could produce any document admissible under the Indian Evidences Act. According to the existing rule, only four types of documents—citizenship certificate, the national register of citizens, birth certificate or extracts of the 1971 electoral rolls—could be presented for proving that a person had lived in Assam prior to 1971.

CSO: 4600/1694

INDIA

ASSAM MINORITIES CONFUSED, FRIGHTENED BY ACCORD

Bombay THE TIMES OF INDIA in English 26 Aug 85 p 1

[Article by Sumanta Sen]

[Text] Nowgong (Assam), August 25--Only two years ago this district had seen one of the worst carnages when minorities in their hundreds had been butchered for participating in the assembly election. The memories of those dark days are being recalled with the minorities all over Assam fearing that the disenfranchisement clause in the recently-signed accord would give the ethnic Assamese another excuse to persecute them.

The minorities here and elsewhere in the state looked upon Mrs. Indira Gandhi as their saviour. What is worrying them is that "her son should come to an agreement which exposes us to more attacks." This is not in their imagination, for they have not forgotten how deeply the Assam administration was at one time involved in the agitation against foreigners and are today naturally afraid that "once again we will have nobody to turn to."

The chief minister, Mr. Hiteswar Saikia, was another person who enjoyed the minorities' confidence but they are perplexed how even he allowed the disenfranchisement provision to be included in the pact. They are sure to confront him with this question when he asks for their votes and it will be interesting to watch how this astute politician deals with the situation.

Indications are that Mr. Saikia will try to make it known that his opinion was not heeded by Delhi but that would be an admission of defeat and not very productive.

Already, there is evidence that the minorities are turning to other forces than the Congress. For instance, two days after the accord was announced, the Nowgong district committee of the CPM organised a rally which, even according to official estimates, was the biggest the party had ever held.

The West Bengal chief minister, Mr. Jyoti Basu's condemnation of the accord has turned him into a hero among the minorities. One Congress worker confessed to this correspondent: "Mr. Basu's forthright words were appreciated by all of us here." The man himself was a Bengali Muslim and he was not hesitant to talk to me at the CPM office.

The current urge for unity among the minorities is cutting across party lines at several places but it is doubtful if the CPM or such other parties, with their very weak organisations, will be able to cash in on this support at election time.

It is also uncertain as to what extent the minorities will be able to cast their votes in the coming elections. It is officially admitted that in five constituencies of Nowgong district itself, Hojai, Dhing, Lahorighat, Raha and Moregaon, the names of 150,000 voters have been left out of the draft electoral rolls. And the reason given is that "we decided to stick to the 1971 rolls and not go in for a revision."

Of course, those left out can still file objections with the help of the four officially admissible documents, but as a political worker pointed out: "Where is a simple villager going to find either his birth certificate or the national register of citizens."

The more easily available document is the 1971 electoral roll but there are numerous allegations that complaints filed even on the basis of this are being ignored. One constituency being mentioned in this context is Lahorighat where 42,000 names have been excluded.

This kind of official attitude naturally gives rise to fear, particularly when acts of physical violence are being reported daily. Since August 15, there have been 40 cases of attacks on minorities, the most serious being the murder of two Congress workers at Abhayqri, in North Salmara. A senior police official admitted in Guwahati: "These certainly do not augur well for the future and we are keeping our fingers crossed."

No Protection

In Nowgong town, the accord was greeted with a boisterous celebration. Young Assamese were out once again shouting, "Kill all foreigners." The demonstrators stoned all houses belonging to the minorities. Though police pickets are being maintained at all minority pockets, the people clearly seem to have lost all faith in a force which had totally failed to protect them earlier and had even at times refused to act in their favour.

The people who fear most are the Bengali Hindus and Muslims who comprise 40 per cent of the district's population and are overwhelmingly agricultural labourers. Only about ten per cent of them own lands measuring between two and three acres. The argument that passions against immigrants have been aroused because they have deprived the Assamese of their properties rings hollow. Rabid communalism is the only explanation for the savage behaviour against the minorities.

Battle Cry

The fear in the minds of the minorities may, in turn, lead them to desperate acts. Meetings and group discussions have already started taking place and a young Muslim of Nowgong town told this correspondent: "This time we will

make the Assamese hear our battle cry also." The strength of the Bengali minorities (both religious communities included) is estimated at a little over five million and any determined resistance could well mean another bloodbath.

The 2.2 million tribals are also not happy with the accord and the majority of them, the Bodos, feel that they have been let down as their demand for a separate homeland has not been considered. While it is a moot point whether such a demand can be at all considered, they have already begun to agitate on this issue, thus adding to the tension that has once again surfaced in the state along religious and linguistic lines.

All things taken together, there seems little reason to envy Mr. Hiteswar Saikia for continuing as chief minister, albeit as caretaker, as the coming few months are sure to see his administrative and political capabilities being put to the supreme test.

CSO: 4600/1695

INDIA

PAPERS REPORT DEVELOPMENTS IN PUNJAB SITUATION

Successor to Sant Longowal

Bombay THE TIMES OF INDIA in English 26 Aug 85 p 1

[Text] Chandigarh, August 25--The district jathedars of the Akali Dal (L), at a special meeting here today, resolved the party leadership crisis by nominating Mr. Surjit Singh Barnala as acting president and Sant Ajit Singh Ropar as chairman of the party's parliamentary board.

Members of the board would be chosen by both the leaders after consultations. It was also decided to constitute an ad hoc committee of the Akali Dal (L) with all jathedars as members.

The five-hour meeting was attended by all district jathedars, Akali Dal leaders from Haryana, West Bengal, U.P., Rajasthan, J and K, and Delhi and also a group of special invitees, including Mr. Prakash Singh Badal, Mr. G. S. Tohra, Mr. Balwant Singh and Mr. Sukhjinder Singh.

Among the special invitees was Mr. Amrender Singh, former Congress MP, who joined the Akali Dal (L) yesterday. The meeting welcomed his decision to join the party.

The meeting adopted a resolution endorsing "every word" of the Punjab accord signed on July 24 by the Prime Minister and Sant Longowal.

Briefing newsmen after the meeting, the Dal general secretary Mr. B. S. Rammowalia, said the leaders at the meeting expressed the hope that the government would implement the accord in the spirit in which it had been worked out. He said the jathedars had called for general amnesty for all Sikh youths and Akali workers held in jail.

The meeting paid rich tributes to Sant Longowal and condemned his assassination.

The meeting was held under tight security. The police had cordoned off all roads to the venue of meeting--the SGPC office at sector 5, in a posh locality here. A noticeboard at the SGPC office gate said only the jathedars and invitees should enter the building. The gate was manned by armed policemen, one of whom had a metal detector.

Outside the gate, along with waiting newsmen, were several Sikhs carrying high calibre weapons. They were bodyguards of various Akali leaders.

It is learnt that the security arrangements, supervised by the I-GP of the Union territory of Chandigarh, Mr. R. Kohri, was necessitated by a report about possibility of some persons trying to disturb the meeting. Informed sources said when the authorities learnt about this, organisers of the meeting were contacted. The security arrangements were then made in consultation with Dal leaders.

Long Wait

The security men took charge of the area in sector 5 housing the SGPC office. Hundreds of Akali Dal workers, who arrived here from various parts of the state, were kept well away from the venue of the meeting by security men.

Inside the SGPC office building, the Akali Dal leaders started the meeting at 1 p.m. After four hours newsmen gathered outside the gate could see some jathedars moving about on the lawns.

Mr. Ramoowalia was seen on the front lawn and when contacted at around 5 p.m., he asked newsmen to wait for ten minutes before they would be called in for briefing. But there was no word from inside till 6 p.m. when Mr. Badal's car was seen moving into the portico.

Shortly afterwards, Mr. Badal came out of the building, took the back seat of the car flanked on either side by his gunmen, and drove away. The newsmen were then summoned inside the building for the briefing which lasted no more than ten minutes.

UNI and PTI add: The meeting of the Dal's 18 district jathedars and seven state unit presidents, struck a compromise by accommodating the rival claimant for the post, Sant Ajit Singh, as chairman.

Mr. Barnala, a close associate of Sant Longowal, was elected party chief barely five days after Sant Longowal's assassination. He had accompanied the Sant to New Delhi for the signing of the accord.

Sant Ajit Singh, in his present capacity, will decide the party's election strategy and distribution of party tickets. Mr. Barnala and Sant Ajit Singh were empowered to nominate other members of the board with "mutual consent."

This decision puts to rest speculations over the party's participation in the forthcoming elections.

All the 25 district party presidents and presidents of state units would be members of the ad hoc committee of the Akali Dal.

Mr. Barnala will have powers to co-opt other members.

Observers noted that senior leaders, Mr. Gurcharan Singh Tohra, and Mr. Badal, who had expressed reservations about the accord, refrained from criticism of it at today's meeting and gave it their approval.

The meeting, significantly, did not take any note of the activities of its rival faction at Amritsar.

The meeting, which was held amid tight security, was seen by observers as a setback to Mr. Badal's group which, sources said, tried till the end to stall Mr. Barnala's election.

Mr. Badal, it is reported, left the meeting venue in a huff. "I am going to attend a telephone call and will be back," he told waiting newsmen. But he never returned.

The meeting also formed a six-member panel of the senior Akali Dal (Longowal) leaders to decide on party's election strategy and distribution of tickets.

Besides, Mr. Barnala, Mr. G. S. Tohra, Mr. Parkash Singh Badal, the former finance minister, Mr. Balwant Singh, the former education minister, Mr. Sukhjinder Singh, and Mr. Balbir Singh are members of the panel, it was learnt.

In Ambala, the Haryana Akali Dal (Master Tara Singh group) president, Mr. Kartar Singh Takker, welcomed the appointment of Mr. Barnala.

In a statement, he said that under the leadership of Mr. Barnala, the Akali Dal (L) in Punjab would be further strengthened.

CPI Candidates

Meanwhile, the Punjab unit of the Communist Party of India announced in Bhatinda its candidates for three out of five assembly seats it would contest and two Lok Sabha seats from Bhatinda district.

The Bhatinda district CPI chief, Mr. Gursewak Singh, told newsmen that the state party has decided that former legislators, Mr. Jangir Singh Joga, Master Babu Singh, and Mr. Buta Singh would contest Joga, Phul and Mansa assembly seats respectively.

Mr. Gursewak Singh and Mr. Hardev Singh Arshi would contest the Budhlada and Bhatinda reserve seats of the Lok Sabha.

Barnala Interviewed

New Delhi PATRIOT in English 27 Aug 85 p 1

[Interview with Surjit Singh Barnala, Dal acting president, by Niraj Roy]

[Text] Chandigarh--"The Shiromani Akali Dal will make an all-out effort to propagate communal amity and try its best to prevent communal polarisation

(of forces) in Punjab in the forthcoming Assembly and Lok Sabha elections," affirmed Dal acting president Surjit Singh Barnala in an interview to this correspondent here on Monday.

"I do not think that the people of Punjab are going to be divided in communal lines in the forthcoming elections," Mr Barnala asserted.

Elaborating on the theme of communal amity, he said, "The Rajiv-Longowal accord is our faith. The accord is sacred for all the people of Punjab. Sant Longowalji laid down his life for this ... noble cause of communal amity. We will make no discrimination on the basis of caste, creed and religion. We will have candidates who supported the accord and are committed to the cause of (communal) amity and integrity of the country."

When asked what would be the main election message of the Akali Dal, Mr Barnala gave a cryptic answer: "Our message is the Punjab accord."

He, however, added in the same breath, "We will ask people to vote for late Sant Longowalji's party."

Commenting on the alleged differences between him and former Chief Minister Parkash Singh Badal, he said, "There are no differences. Mr Badal is a member of all the important committees of the Akali Dal we have formed. We are like family members in the party."

When questioned whether Mr Badal would join the "United" Akali Dal led by Mr Joginder Singh, Mr Barnala observed, "I do not think so." To another question, asked by a foreign correspondent, whether Mr Badal would leave the Akali Dal, he said, "I am confident that he will not leave the party. After all, Mr Badal has spent his entire life-time working for the Akali Dal and thus, there is no such question of leaving it now."

Mr Barnala claimed that the demand for Akali Dal ticket was really massive. "People are crowding in hundreds for the ticket. I have advised them not to come over to Chandigarh."

When asked whether the party was getting good people as candidates, Mr Barnala said, "Yes, very good people. In fact, quality candidates."

In reply to another question of the foreign correspondent whether the people who wanted tickets were "crazy or courageous," Mr Barnala emphatically said, "courageous."

CSO: 4600/1695

INDIA

'UNITED' DAL ISSUES PRESS NOTE ON ELECTIONS

Bombay THE TIMES OF INDIA in English 29 Aug 85 p 1

[Text] Amritsar, August 28--The "United" Akali Dal today decided to boycott the coming vidhan sabha elections in Punjab.

The announcement was made in a press note issued on behalf of Mr. Joginder Singh, convener of the Dal, by Mr. Surat Singh Khalsa, as secretary.

The press note said strict disciplinary action would be taken against anyone violating the decision.

Newsmen, who were summoned to the party's office were told that Mr. Joginder Singh had left for his village, Rode. All other leaders had also left for their homes and there was no one to answer their questions.

The press note said the accord, which Sant Longowal had entered into with the government, was done in his individual capacity and alleged that the late Sant had tried to mislead the Sikhs.

The government, it pointed out, had rejected Sant Longowal's request for postponing the elections.

It said that after the declaration of the poll schedule, political leaders were usually released, but the government had arrested Mr. Ranjit Singh Brahmpura, general secretary of the party, obtained his remand and interrogated Mr. Jagdev Singh Talwandi and Mr. Randhir Singh Cheema.

The "United" Alkali Dal, it is learnt, has decided to hold conferences against the elections. One such conference is likely to be held here on September 8.

PTI & UNI add: Mr. Jonginder, who was authorised by a party meeting on Sunday last to decide the issue, took the decision after consultations with senior party leaders and various groups within the party.

Besides the Punjab accord, four reasons were given for the boycott: the army action in the Golden Temple in June last year, violence against a certain community after the assassination of Indira Gandhi, detention and

implication of youths in false cases and killing and detention of army deserters, who had marched in protest towards Amritsar after the June army action.

Mr. Surat Singh, who released the statement, when asked whether the Dal would disturb election meetings, said, "We will not do that. We do not believe in violence."

Asked what the party workers and leaders would do during the elections, he said the Dal would hold public meetings and conferences to educate the people against the Punjab accord.

Prominent among those who filed papers today were Mr. Satwant Singh of Akali Dal (L), Mr. Balbir Singh (Janata) from Ludhiana east, Mr. Daya Singh and Mr. Niranjan Singh of Akali Dal from Samrala and Kumkalan (reserve) seats.

Mr. Mohinder Singh Romana filed his papers as Akali Dal (L) candidate from the Faridkot Lok Sabha seat while Mr. Roop Lal Sathi (Janata) ex-MLA, from Moga assembly seat.

Mr. Jatinder Singh Ghoman, an activist of the All-India Sikh Students Federation and presently lodged in the Central Jail, Jalandhar, filed his papers as an independent for the Kahnuwan assembly seat in Gurdaspur district. He is the son of Mr. Harbans Singh Ghoman, member of the Akali Dal (L) ad hoc committee.

CSO: 4600/1701

INDIA

BILL ON CORRUPTION INVESTIGATION ASSIGNED TO PANEL

Bombay THE TIMES OF INDIA in English 29 Aug 85 p 1

[Text] New Delhi, August 28 (PTI)--The controversial bill for the appointment of a Lok Pal to enquire into the charges of corruption against the union council of ministers, except the Prime Minister, was today referred by the Lok Sabha to a joint select committee of both the houses of Parliament.

This is the fourth time in 19 years that the bill has been referred to the joint select committee. On each of the three occasions in 1966, 1971 and 1977 the house was dissolved before the committee could report to the two houses.

Moving the motion for referring the bill to the select committee, the minister of state for law and justice, Mr. A. K. Sen said the committee would comprise 45 members--30 from the Lok Sabha and 15 from the Rajya Sabha. Mr. Sen said the committee would submit its report on the first day of the next session of parliament.

Earlier, when the house was about to take up the bill, the speaker, Mr. Balram Jakhar said it was found that the bill required greater consideration and that both the government and the opposition agreed that it should be referred to a joint select committee.

When Mr. Madhu Dandavate (Janata) contended that the suggestion should not come from the chair and that there should be a regular motion, the speaker said the government would come forward with a motion later in the day referring the bill to joint select committee. Mr. A. K. Sen moved the motion later.

The members on the committee selected from the Lok Sabha included: the law and justice minister, Mr. A. K. Sen, the minister for parliamentary affairs, Mr. H. K. L. Bhagat, the minister of state for law, Mr. H. R. Bhardwaj, Prof. N. G. Ranga, Prof. G. G. Swell, Mr. K. K. Tewari, Mr. Brahm Dutt, Mr. Shayam Lal Yadav, Mr. Aziz Qureshi, Mr. Mool Chand Daga, Mr. P. R. Das Munshi, Mr. S. S. Dighe, Mr. Indrajit Gupta, Mr. Madhu Dandavate, Mr. Ebrahim Suleiman Seit, and Mr. P. Kolandaivelu.

CSO: 4600/1701

INDIA

PANEL REPORTS IMPENDING 'ECOLOGICAL DISASTER'

Calcutta THE STATESMAN in English 30 Aug 85 p 9

[Text] In each aspect of the environment--land, water, forests, dams, atmosphere habitat, health, energy and living resources--India is heading for disaster, even when, with a proper management of the environment, this country has the capacity to feed three times the present population, according to the Second Citizens' Report on the Indian environment.

Prepared by the Centre for Science and Environment, New Delhi, in collaboration with 24 voluntary organizations and 54 environmentalists, social workers and scientists from all over the country, the report deals with a number of specific environmental issues, criticizes Government policies, and attempts to suggest alternative development strategies.

From the point of view of land, the report says that "the Government itself now admits that between one-third and one-half of the country can be described as wasteland. The wasteland areas have an extraordinary potential to boost food fibre, fodder and fuel production to unprecedented level. A very substantial part of the wasteland is under Government control. The poor will specially benefit from efforts to increase the productivity of the wasteland only if they have control over them. Unfortunately, few attempts are being made to involve the landless in afforestation. Some five to 10 million landless families could be involved in the afforestation of Government controlled forest lands. This could become the country's largest anti-poverty and employment creation programme."

Soil Erosion

The report points out the effects of failure to check land degradation. "Soil erosion is extremely serious in many parts of India. Ravines have gobbled up and depopulated over 10 per cent of the Chambal Valley villages in this century."

The serious problem of nomads and grazing lands have been specially mentioned in the report. "With just a fortieth of the world's land, India supports over half its buffaloes and over a seventh of its cattle and goats. As more and more grazing land brought under the plough, often as a result of Government programmes, over-stocking results leading to eco-disaster."

The effects of deforestation on the water cycle has been described in detail. "Recharge of the ground-water is being reduced, and as a result villagers are finding it increasingly difficult to get drinking water during the dry months. The flood-drought cycle is getting accentuated. Global statistics show that the largest number of drought victims, over 80 per cent of the world's total, lived in India in the sixties and seventies. It is only in the current decade that environmental destruction has reached such a peak in Africa that it has surpassed India."

In this connection, new approaches to water management have been suggested. "The dams under construction threaten to displace and impoverish millions of people and surface irrigation systems in several parts of India have failed to boost crop productivity. In many cases, they have led to extensive water-logging and land degradation." It has been pointed out that today India uses only a tenth of its annual rainfall, and 40 years from now the fraction will improve to a quarter.

In this scenario, the report has made a plea for storing water once more by the ancient Indian system of tanks all over the country, and using that water for irrigation purposes, among others. "Experts calculate that tanks built over 3 per cent of India's land area could store a quarter of its rainfall."

Deforestation

On the question of deforestation, the report has pointed to the disparity between Government data and the data subsequently revealed by satellite photographs, by which it was shown that India is losing 1.3 million hectares of forests a year.

The report has dealt specifically with the issue of deforestation in Bastar. It has mentioned that about four-fifths of Bastar's forests are estimated to be adequately stocked, but about 4,00,000 hectares of mostly undemarcated protected forest land is thoroughly degraded with only a bare minimum of top-soil.

"A number of efforts have been made in Bastar to grow monoculture plantations to meet the needs of wood-based industries. Efforts at raising pine and eucalyptus plantations have been utter failures, but the conversion of sal forests into monoculture continues to be State policy." Among the effects of deforestation the report mentions one that is not normally focussed upon the dying out of many traditional crafts due to shortage of raw materials.

Bhopal Disaster

About atmospheric pollution, while the report devotes an entire section on industrial pollution, with special emphasis on the Bhopal disaster, it points out that woodsmoke inhaled while cooking is today the "world's worst air pollution problem."

In fact, one of the conclusions of the report is that the major sufferers of environmental destruction are women, since it is they who have to spend much longer hours collecting fuelwood and fodder, and then cook in inefficient stoves which ruin their health. It has also been pointed out that probably for this reason, whenever there is an afforestation programme, the maximum cooperation is received from women.

When women plant trees, they like to plant those which give fuel and fodder and not cash crops like eucalyptus, the report says. There is a section devoted to the eucalyptus controversy in the report, and the conclusion reached there is that the tree does more harm than good.

On the question of the habitat, the "rapidly growing urban decay" has been focused upon in the report. "India's urban population is today the fourth largest in the world. By the turn of the century, it will be the largest, between 350 and 400 million people." Most of them would be slum residents.

The recent Supreme Court judgment on the eviction of pavement dwellers has been criticized in the report. Many of these urban migrants are in fact ecological refugees from the countryside, displaced by the building of dams, by mining, by the destruction of grazing lands and forests, by water-logging and salinization of fields, by the increasing havoc of floods and droughts, and by urban expansion." It has been said that unless these causes for urbanization are stopped, the effect will remain.

Dangerous Pesticides

Talking about health, the report has criticized the Government for showing "little will to control dangerous pesticides. India uses nearly 100,000 tons of pesticides annually, and at least 70 per cent of these are pesticides banned or severely restricted in Western nations."

The overuse of pesticides is the main reason for the re-emergence of diseases like malaria, the report points out. It has also said that the spread of irrigation without proper drainage "is creating excellent conditions for mosquitoes to breed."

Coming to the question of living resources, the report says that while it is essential to protect wild animals, the creation of reserve forests should not be such as to antagonize the entire local population. On the question of plant resources, it has deplored the standardization of all genes of crop plants, and warned that unless this process is reversed, one epidemic could wipe out a large portion of the country's food supply.

While saying that in general Governmental efforts at stopping environmental destruction have not amounted to much, the report has lauded the efforts made by voluntary agencies, movements started by the people themselves and called for an increase in this kind of activity.

CSO: 4600/1703

INDIA

PAPER SUMMARIZES DRAFT OF SEVENTH 5-YEAR PLAN

Calcutta THE TELEGRAPH in English 27 Aug 85 p 7

[Text]

Results of the latest nationalist sample survey indicate that around 36 million people crossed the poverty line between 1977-78 and 1983-84. The development strategy of the Seventh Plan and the pattern of growth emerging from it are expected to lead to a reduction in poverty at an even faster rate.

The percentage of population with a consumption standard below the poverty line is expected to come down from an estimated 36.9 per cent in 1984-85 to 25.8 per cent in 1989-90. In absolute terms, the number of poor persons is expected to fall from 273 million in 1984-85 to 211 million in 1989-90, the bulk of this improvement being in the rural areas. Around 50 per cent of this reduction is likely to be the contribution of the different poverty alleviation programmes. Over the Seventh Plan employment, potential is expected to increase by 40 million standard person years against an increase in labour force of around 39 million persons. Employment potential will grow at 4 per cent per year, a rate higher than in the Sixth Plan and well above the expected growth rate of 2.6 per cent per year in the labour force.

The bulk of the growth in employment potential is in the agricultural sector and, within the sector, in subsidiary activities other than crop production. The annual growth rate of employment potential in this sector is 3.5 per cent which is significantly higher than the growth rate of the rural labour force which is expected to be around 2 per cent. Thus the Seventh Plan would provide fuller employment in rural areas. In the non-agricultural sector employment potential is expected to increase at nearly 4.5 per cent per year which should lead to some shift in labour force out of agriculture into non-agricultural activities.

The impact of the Seventh Plan on poverty and unemployment will bring about an important qualitative change in the economy. At present, the top 30 per cent of the population accounts for over half of the consumer expenditure both in rural and urban areas and for bulk of the demand for manufactured consumer goods. By the end of the Seventh Plan, with the expected decline in the proportion of the population below the poverty line and with the reduction in the backlog of unemployment, there will be a

sharp increase in the demand for food articles and for many manufactured consumer goods and services. This increase in the size of the domestic market can provide a base for rapid industrial advance, which in turn will further accelerate the growth in employment. Hence, the Seventh Plan strategy which focuses attention on employment generation and poverty reduction will also help strengthen growth impulses in the economy.

Sectoral growth: During the Seventh Plan, the agricultural sector is expected to grow at 4.0 per cent in terms of gross output and 2.5 per cent in terms of value added. This is significantly higher than the growth rate achieved during the Sixth Plan after correcting for the low base of 1979-80. This higher growth rate is justified on the basis of likely demand generation and maintaining self-sufficiency in food-grains. Correspondingly, on the supply side, increased provision of fertiliser and irrigation has been stipulated.

There is now only a limited potential for an increase in agricultural production based on an expansion in the area under cultivation. The net sown area is not expected to change much over the Plan and will remain at around 143 million hectares. However, during the Plan, 11-12 million hectares will be brought under irrigation. This will increase the area under short duration high yielding varieties which will facilitate multiple cropping and raise cropping intensity from 1.26 in 1984-85 to 1.33 in 1989-90. Hence, the gross cropped area is expected to go up from 180 million hectares in 1984-85 to 190 million hectares in 1989-90, which implies an annual growth rate of around 1 per cent. Fertiliser consumption will increase from 8.4 million tonnes in 1984-85 to 13.5-14.0 million tonnes in 1989-90.

The overall yield rate of rice is expected to improve by nine per cent, mainly through productivity gains in the eastern region and aggregate production to go up from 60.0 million tonnes in 1984-85 to 73-75 million tonnes, by the end of the Plan. More than 90 per cent of the area under wheat is expected to be under irrigation. The increase in yields is expected to be 5.8 per cent. The total production of wheat is expected to go up from 45 million tonnes in 1984-85 to 56-57 million tonnes in 1989-90.

Coarse cereals: In keeping with past trends the area under coarse cereals is expected to go down. However, with the emphasis on dryland farming, an increase in yield of around 13 per cent is expected and this will raise production from 32 million tonnes in 1984-85 to 34-35 million tonnes in 1989-90. Pulses are a major source of protein for poor households and, hence, during the Seventh Plan production of pulses will increase from 13.0 million tonnes in 1984-85 to 15-16 million tonnes in 1989-90. Shortfalls in the availability of edible oils have posed major problems in the Sixth Plan and hence, in the Seventh Plan. The area under major oilseeds is expected to go up by 1.5 million hectares and yields to increase by 28 per cent. As a result the total production of major oilseeds is targetted to go up from 13 million tonnes in 1984-85 to 18 million tonnes in 1989-90. The production of sugarcane is expected to go up mainly because of a 17 per cent yield increase and rise from 180 million tonnes in 1984-85 to 217 million tonnes in 1989-90.

The manufacturing sector is postulated to grow around 8.0 per cent per annum, indicating a significant acceleration compared to the Sixth Plan growth.

This higher rate of growth is expected to arise from (a) a faster rise in exports, and (b) a rapid increase in demand for mass consumption goods, (c) better interlinkage within the industrial sector and with agriculture, transport, communications and other sectors. Some of this growth will come from projects which are already at an advanced stage of implementation and will be commissioned during the Seventh Plan. A part of the growth will come from improvements in capacity utilisation in certain critical capital intensive sectors. Hence the full impact of the industrial investment pattern proposed in the Seventh Plan will be felt in later years. During the plan the reorientation of industrial production will come mainly from the shift in purchasing power towards the poor and the growth in export demand.

The industrial strategy for the Seventh Plan lays special emphasis on (a) improvement in infrastructural facilities particularly power, (b) greater attention, modernisation and maintenance of assets (c) upgradation of technology, (d) improvement in productivity, (e) reduction in cost and improved competitiveness, (f) introduction of new products and (g) a special effort at accelerated development in selected industries in which the country has comparative advantage.

Crude oil production increased nearly three-fold in the Sixth Plan mainly because of the growth in production from Bombay High. There is no such untapped bonanza awaiting exploitation, and production increases in the Seventh Plan will be more modest. The domestic output of crude oil is expected to go up from 29 million tonnes in 1984-85 to 34.5 million tonnes in 1989-90, the bulk of the increase coming from onshore areas in the Cambay basin and the north-east. The corresponding ratio of imports to availability will rise from 19.8 per cent to 28.1-29.4 per cent. But even at this latter level the ratio will still be very much lower than what it was at the beginning of the

Sixth Plan. With the development of the south Bassin field, natural gas will emerge as an important energy source and production is expected to increase from 7.2 billion CUM in 1984-85 to 14.9 billion CUM in 1989-90.

Textiles: The aggregate output of cloth made from cotton, viscose and synthetic yarns is expected to go up from 11.95 billion metres in 1984-85 to 14.50 billion metres in 1989-90. The changing pattern of fibre use in the textile industry is reflected in the growth of the output of manmade fibres which will increase from 261.7 thousand tonnes in 1984-85 to 489.5 thousand tonnes in 1989-90, which will meet the projected demand in that year so that imports will not be required.

During the Seventh Plan the total demand for fertilisers is expected to increase from 8.4 million tonnes to 13.5 million tonnes, which implies a growth rate of about 10 per cent. Based on likely commissioning schedules, domestic production is expected to increase at 11 per cent per annum and reach 8.75 million tonnes by 1989-90. The absolute level of imports will increase but imports as a percentage of total consumption will come down from 38.1 per cent in 1984-85 to 35.2 per cent in 1989-90.

The production of major plastic raw materials (LDPE, HDPE, PP and PVC) is expected to go up from 257.4 thousand tonnes in 1984-85 to 623 thousand tonnes in 1989-90, which implies an annual growth rate of about 19 per cent.

Cement demand is expected to grow at nearly 10 per cent per year during the Seventh Plan and reach a level of 49 million tonnes.

The demand for finished mild steel is expected to increase at around 5 per cent per annum and reach 13.86 million tonnes by 1989-90. Improvements in capacity utilisation will help to raise production to 12.56 million tonnes by 1989-90 leaving a net gap of 1.21 million tonnes.

The gross output of non-electrical engineering industries is expected to grow at 11.8 per cent over the Seventh Plan period, of electrical engineering industries at 12.5 per cent, of transport equipment industries at 10.8 per cent. Major advances in product development in machine tool industry are expected in the Seventh Plan.

The Seventh Plan envisages a rapid expansion of the electronics industry both for the application of electronics in production processes and offices and for meeting consumer needs. The aggregate output of electronic goods is expected to go up from Rs 2100 crores in 1984-85 to Rs 10500 crores in 1989-90, which implies a growth rate of 38 per cent per annum. The Plan envisages a rapid expansion in the production of computer telecommunication equipment, process control systems and consumer items like television sets.

The demand for electricity is expected to grow at 10.1 per cent per annum over the Seventh Plan and reach 203.7 billion KWH by 1989-90. The Plan envisages the commissioning of 22245 mw by this year and the level supplies available from utilities and from captive plants should be sufficient to meet demand. This assumes an improvement in the utilisation of thermal power capacity which stood at 50.1 per cent in 1984-85.

In terms of originating freight traffic, the load on the railway systems is likely to be around 330-350 million tonnes in 1989-90 as against 263 million tonnes in 1984-85. The average length of haul is expected to be around 680 km. The Plan envisages that the growth in passenger traffic will be restrained to two per cent per annum and that, within this, priority will be given to long-distance passenger traffic and high density suburban traffic.

The Seventh Plan envisages the addition of 25 lakh direct exchange lines (DELs), partly

from the direct provision in the Plan and partly through extra-budgetary resources. A substantial expansion is also envisaged in large distance switching and transmission and overseas communication. A major change will be the introduction of electronic exchanges.

Involvement in elementary education (class I-VIII) is expected to increase by 19 million and cover 82 per cent of the population by 1989-90. In addition a non-formal system will be used to bring closer the objective of universalisation of elementary education. Secondary school enrolment is expected to go up by 3.6 million largely through better utilisation of existing school and with a school emphasis on vocationalisation. Adult literacy programmes will be pursued with the objective of covering all illiterates in the age-group 15-35 by 1990.

By the end of the Seventh Plan, the infra-structure for primary health required on present norms would be fully in position with regard to sub-centres, primary health centre and multipurpose health workers. Programmes for the control of communicable diseases will be strengthened. The Plan envisages that 85-100 per cent of eligible persons will be covered in the communication programme for diphtheria, polio, tetanus, whooping cough, typhoid and tuberculosis. The family planning programme will be stepped up to achieve couple protection rate of 42 per cent.

By the end of the Seventh Plan the entire population will be provided with adequate drinking water facilities within 0.5 km. With regard to sanitation, the aim is to provide suitable facilities for 50 per cent of the urban population and 25 per cent of the rural.

The Seventh Plan aims at providing housing assistance to 2.71 million poor rural families, the promotion of self-help housing and rural housing for economically weaker sections and stimuli and support for private housing especially for the middle and lower income groups. Around 8 million persons will benefit from a programme for the environmental improvement of schemes.

Savings: Public sector saving will have to increase from the realised value of around four per cent of GDP in the Sixth Plan to an average value of five per cent over the Seventh Plan period. For achieving this order of public saving, positive measures will be needed to increase savings of general government and the savings of public enterprises.

Consumption: In the consumption pattern, a higher weightage has been given to food consumption mainly because of the expected improvement in income distribution. This will need to be protected by careful monitoring of the relative price of food and by ensuring that the production and productivity potential of small and marginal farms is adequately exploited.

To be continued

CSO: 4600/1699

INDIA

RAJIV URGED TO PAY MORE ATTENTION TO ECONOMIC FRONT

Madras THE HINDU in English 25 Aug 85 p 2

[Article by G. K. Reddy]

[Text] A PERPLEXING dilemma that many developing societies, burdened with a heavy back log of problems, have to face all the time is to what extent they can afford to maintain a close correlation between external and internal policies in pursuit of their larger national interests. Is it possible, or desirable, for a country like India to pay less attention to foreign affairs for some time and concentrate more on domestic issues to set its own house in order first, before letting other societies have the benefit of its wisdom with its principled approach to international relations?

The big powers that are politically stable and economically strong face no serious internal challenges that can distract their attention from the pursuits of their global interests. But the Third World societies which have to catch up with the lost opportunities by racing with time remain in a state of constant flux as they go through the ordeals of coping simultaneously with their population explosions. It is the compulsions of this inner turbulence, propelled by the rising expectations of their peoples, that make many developing countries imagine that they can leap forward into the future with some daring initiatives, designed to make a deep impact of their intuitive capacity to manage their dissonances better with a right degree of reassurance.

Nowhere in the world is this complex phenomenon more self-evident than in India where foreign policy serves as a convenient diversion from the pressures of domestic events. The people generally support governmental initiatives on the international front, sharing the leadership's pride in the country's growing importance, despite the absence of a well-established bipartisan tradition. The people tend to be critical only when the Government tries to over-play its foreign policy pursuits to cover up the faltering performance on the home front.

Double advantage

But it is rarely that a Prime Minister can count on unstinting public support for one's internal and external policies at the same time with all sections of opinion reposing complete faith in the validity of one's policies or propriety of one's actions. It is his good fortune that Mr. Rajiv Gandhi enjoys the benefit of this double advantage through a favourable combination of circumstances. His sincerity of purpose and disarming candour have helped to compensate for his lack of experience and passionate desire to get things done quickly.

It was difficult even for a great leader like Jawaharlal Nehru to resist the heady joys of public adulation, imagining that he had a special communion with the people. He resented criticism and reacted sharply against even helpful suggestions by the Opposition if they did not fit into his lofty concepts of what was good for the nation. He was, however, generous enough not to question the motives of those who differed with him, despite his contempt for a second opinion on any issue that was dear to him.

His daughter, Indira Gandhi, treated dissent as disloyalty by placing a premium on unquestioning conformity and insisting on total commitment to the prescribed policy line. But she also displayed an extraordinary capacity to use the consensus argument to carry the Opposition with her when it suited her purpose. At the same time she did not hesitate to ignore the counsels of even her close advisers, if she felt that their ambitions were exceeding the limits of her tolerance. The result was that nobody in her view was indispensable and quite a few fell from her grace and got discarded unceremoniously, leaving her rather lonely and wary of even well-meaning advice at times.

The two Janata stalwarts, Mr. Morarji Desai and Mr. Charan Singh, were either so self-righteous or self-opinionated that they had developed closed mind with no scope for a reasoned discussion on any issue. Their in-bred obscurantism led to astonishing ignorance making them doubly dogmatic in their advocacy of out-dated doctrines or defence of their own change-resistant attitudes. The ascendancy of these two crusty old men on the Indian scene at a critical time was attributed to the public outrage over the excesses of the Emergency, but their attempts to put the clock back with their pet aversions paved the way for Indira Gandhi's triumphant return to power in 1980.

Well integrated personality

The Rajiv watchers in Delhi who are generally well disposed towards him discern in him a streak of his grandfather's magnanimity and a dash of his mother's single-minded determination combined with his own readiness to learn from the experiences of others in similar situations. In the last 10 months since he was suddenly catapulted into power as Prime Minister of the largest democracy and the second most populous country in the world, he has managed to develop a well integrated personality of his own displaying an unfailing ability to take bold decisions. In a sense, his inexperience has enabled him to bring a freshness of approach to major problems without remaining a prisoner of past vacillations.

As head of government, Indira Gandhi saw no great virtue in attempting to resolve a difficult problem before it was ripe for solution. She let the festering sores run to tire out the leaders of agitations and let the people get increasingly disillusioned with their politics of confrontation. She was, therefore, in no great hurry to settle the Assam or Punjab problems and preferred to keep all inter-State disputes in abeyance in the belief that time alone could resolve such intractable issues.

It is this calculated policy of inaction on the home front that made her concentrate more on foreign policy matters as a diversion, with a series of global initiatives that made her a world figure. But the irony of it all was that her growing international stature did not help to enhance her domestic prestige since she had to bear the cross for many wrong things done by her minions in her name.

It is too early still even for perceptive historians to make a definitive assessment of her 16-year rule in terms of her achievements and failures but her martyrdom has certainly made her a much more formidable personality in her death than in her lifetime. Her fortitude in the face of adversity, her capacity for crisis management and her readiness to take harsh decisions had undoubtedly helped to enhance her stature and make her appear to be infallible on such occasions. Her compartmental mind precluded anybody in her entourage from being privy to her inner thoughts with the result that it was not easy to visualise her reactions to different developments.

The secret of Mr. Rajiv Gandhi's promising start as Prime Minister has been the delicate balance he has been maintaining between his foreign policy pursuits and domestic pre-occupations. He has not allowed any grass to grow under his feet in coming to grips with the Punjab and Assam problems, while making a concerted effort to improve relations with neighbouring countries like Pakistan and Bangladesh that were in a position to complicate them. The fact that he has not succeeded in restraining Pakistan from securely encouraging and arming the Sikh militants has not made his efforts to do so any less relevant in the context.

One has to learn the hard way to live with the reality that those in Pakistan, who continue to entertain thoughts of avenging the humiliation of the ignoble defeat in the 1971 war, are not going to let go the opportunity to exploit the Punjab situation. The signing or not signing of a no-war pact or a treaty of friendship is not going to make any difference to those in Pakistan who are bent on embarrassing India at any cost. It is to focus attention on this deep-rooted animosity that Mr. Rajiv Gandhi has been repeatedly cautioning the world about Pakistan's nuclear ambitions.

His efforts to improve relations with the United States and arrive at some sort of *modus vivendi* with China are at least partly, if not wholly, directed at containing this Pakistani threat but at the same time he does not consider the present internal conditions in India conducive to either elevating the level of dialogue with China or engaging in any serious negotiations on the border question. It is for this reason that he has not been responding to the repeated Chinese overtures for a visit to Beijing by him, although he has not shunned any opportunity to meet the Chinese leaders at other places.

If he did not flinch a bit in bearing his onerous responsibilities in the aftermath of his mother's assassination, Mr. Rajiv Gandhi did not also cave in after the brutal murder of Sant Harchand Singh Longowal who was also a victim of Sikh terrorism. Nor did he allow his hopes of a peaceful implementation of the Punjab accord to be dimmed by this dastardly act. He is pressing forward in every possible way with his plans to heal the wounds in Punjab with the support of both Hindu and Sikh moderates, while intensifying the drive against terrorism to isolate the extremists from the national mainstream.

The admiration for this young man for the qualities of leadership he has displayed in so short a time in the internal and external spheres is, however, tinged with a degree of disappointment with the poor performance of his Government on the economic front. The Prime Minister himself has been trying to curb corruption and the Finance Minister has been putting up a gallant fight against tax evasion but the

other economic ministries have done precious little to increase production, ensure better distribution and control prices.

There is need for an economic Czar at the Centre with overall authority to coordinate the work of all the Ministries in this field to provide the higher direction with the full backing of the Prime Minister in checking inflation to relieve the growing distress of the people. It does not redound to the credit of the country's economic administration if over Rs. 7,000 crores remain locked up in buffer stocks now nearing 30 million tonnes, with a large percentage of these foodgrain reserves rotting in open stockyards under tarpaulin sheets for want of covered storage.

The Government has been spending as much as Rs. 560 on administrative, transport and storage charges on each tonne of wheat costing Rs. 1,700, only to be condemned after a year or two as being unfit for human consumption. The poor who should be eating this surplus wheat have no money to buy it, nor has the Government been able to organise food wages on a large scale to bring down these reserves to manageable limits.

Evasion of hard options

The Prime Minister has been talking of better financial and economic management to make better use of the nation's resources. There is no dearth of experts to advise him and yet when the time comes for taking tough decisions, there is a tendency to evade hard options. The political leadership and the bureaucracy are so *status quo* minded that they are not geared mentally to experimenting with new ideas and learning through trial and error to avoid past mistakes.

The country cannot prepare itself mentally to enter the next century with this creaky machinery of government that is left with little initiative for displaying greater dynamism.

The people who have come to look upon Mr. Rajiv Gandhi as both a path-finder and trail-blazer, an innovative and imaginative young Prime Minister gifted with a technological vision of India's future, are going to judge his success in terms of his achievements at home rather than his performance in the field of foreign affairs for making this imperfect world a better place to live free from threats of a nuclear catastrophe. It is time his admirers and critics come forward with constructive suggestions on what could be done to improve the quality of life of the impoverished Indian people and make this country a cleaner place to live in free from the stigma of monumental malpractices.

CSO: 4600/1704

INDIA

GANDHI TELLS STAND ON GOVERNMENT WORKERS

Calcutta THE TELEGRAPH in English 20 Aug 85 p 1

[Text]

New Delhi, Aug. 19: The Prime Minister, Mr Rajiv Gandhi, has said that if he has his way he would sack surplus staff in public sector undertakings and, with the resources thus saved, set up "modern factories."

The Prime Minister was speaking to a delegation of the national campaign committee of central trade unions which had gone to him to plead for a constitutional amendment to undo a recent Supreme Court judgment which empowers the government to dismiss employees without an inquiry. The delegation was originally given only 10 minutes by the Prime Minister's office but Mr Gandhi continued discussions for 45 minutes.

The Prime Minister said Supreme Court judges knew their job and had correctly interpreted the Constitution. Article 311(2) (B) lays down that government employees can be dismissed without an inquiry, "where the authority empowered to dismiss or remove a person or to reduce him in rank is satisfied that for some reason, to be recorded by that authority in writ-

ing, it is not reasonably practicable to hold such an inquiry."

Article 311(C) says: "If, in respect of any such person as aforesaid, a question arises whether it is reasonably practicable to hold such inquiry, the decision thereon of the authority empowered to dismiss or remove such person or to reduce him in rank shall be final."

The trade union leaders pointed out to the Prime Minister that the dismissal of an employee without an inquiry was against natural justice. The meeting was marked by animated arguments from both sides.

Mr Gandhi said government employees did not work. The trade union leaders retorted that if employees did not work, how could the government function as ministers certainly did not work.

Mr Gandhi said he knew of many cases in the public sector where 2,000 employees were actually needed but 5,000 were employed. "Still the government cannot get rid of them," he said.

The Prime Minister told the delegation that during his tenure not a single government employee had been sacked without an inquiry. If there was any unjustified dismissal, it should be brought to his notice, he added.

The delegation pointed out that on the basis of the Supreme Court judgment, high courts were dismissing petitions of government employees challenging their demotion or removal from service.

They said while the Prime Minister could give an assurance on unjustified dismissals in regard to Union government employees, such protection could not be assured to employees of state governments. The union leaders also pointed out that instead of depending on personal goodwill, the employees would appreciate institutionalised protection of their service.

The Prime Minister conceded that he had not yet finally made up his mind on this question and he would look into all the points that they had raised.

CSO: 4600/1685

INDIA

BUSINESSMAN ACCUSED IN SPY CASE GETS BAIL

Bombay THE TIMES OF INDIA in English 20 Aug 85 p 9

[Text]

NEW DELHI, August 19
(PTI):

THE Delhi high court today granted bail to Ashok Jaidika, a hosiery businessman and one of the 18 accused in the Coomar Narain espionage case, and observed that the retracted confessional statement of co-accused H. N. Chaturvedi could not be read against him at this stage.

Delivering his reserved judgment, Mr. Justice Charanjit Talwar allowed the petition and directed that Jaidika, who was arrested from Ludhiana on January 29 last under section 3, 5 and 9 of the Official Secrets Act, read with section 120 (B) IPC, be enlarged on bail on furnishing a bond of Rs. 25,000 and two sureties of the like amount to the satisfaction of the committal court.

Mr. Justice Talwar also directed that Jaidika should not leave the country without the permission of the additional sessions judge, New Delhi.

Incidentally, the hosiery businessman is the first among the 18 accused persons to be released on bail since the espionage ring was busted on January 17 last with the arrest of Coomar Narain, Delhi-based manager of S. L. M. Maneklal Industries.

During arguments, defence counsel, Mr. D. R. Sethi, had contended that except a telephone-cum-address diary, no other incriminating document was

found from the search of Jaidika's residential and business premises in Ludhiana.

Mr. Sethi had said that the accused had been exporting hosiery goods to the Soviet Union for the last 15 years.

The names of the U.S.S.R. trade representatives, the counsel said, found written in the diary, could not be defined as those of "foreign agents" under the Official Secrets Act.

Besides, Mr. Sethi said that all the Soviet representatives who were posted in the U.S.S.R. embassy here "must have obtained visas from the Indian government after intelligence bureau clearance."

Mr. Sethi also stressed that the confessional statement of accused H. N. Chaturvedi, a former commerce ministry official, implicating Jaidika in the case could not be treated as substantive evidence and had to be ignored from consideration.

NO FOREIGN AGENTS

According to the judgment, the prosecution counsel, Mr. B. R. Handa, had admitted that apart from the telephone-cum-address diary and the confessional statement of Chaturvedi, there was no other circumstantial evidence which could connect Jaidika with the offence made out in the charge-sheet filed in the court of the additional chief metropolitan magis-

trate, Mr. Bharat Bhushan.

Mr. Handa had also conceded that the Soviet trade representatives in India were not "agents" and that their telephone numbers were available in the telephone directory.

In his judgment, Mr. Justice Talwar observed that in dealing with a case against an accused, the court could not start with the confessional statement of a co-accused. "It must begin with other evidence adduced by the prosecution and after it has formed its opinion with regard to quality and effect of the said evidence, it is permissible to turn to the confessional statement in order to receive assurance to the conclusion of the guilt," the judge said.

Mr. Justice Talwar noted that the confessional statement of Chaturvedi, which was retracted by the accused on February 11 last, could not be read against Jaidika at least at this stage.

The judge further observed that the allegations that the telephone numbers of the Soviet officials, who were not "agents" here and found in the personal diary of the accused, prima facie could not be said to be "substantive evidence."

"The character of the evidence collected by the prosecution during investigation showed that in the particular case, there was no legal evidence against the petitioner," the judge added.

CSO: 4600/1684

INDIA

NEW OIL DEPOSITS FOUND IN UPPER ASSAM

Madras THE HINDU in English 21 Aug 85 p 9

[Text]

NEW DELHI, Aug. 20.

The Union Minister of State for Petroleum, Mr. Nawal Kishore Sharma, announced today that oil deposits had been discovered in the Rajgarh structure in Upper Assam.

In identical statements in the two Houses of Parliament, he said even though the full potential of this structure would be assessed after two other locations were drilled, indications were that a new oil reserve of significant potential had been found.

Oil of good quality: Oil was discovered in the first well drilled on the Rajgarh structure by Oil India Ltd. at a place about 20 km east of Moran in Dibrugarh district. Initial production testing had led to a flow of 315 barrels a day of good quality crude oil of 32 degree API gravity.

The thickness of the oil column was 26 metres and the arc of the structure was about 23 square km. Drilling of the well started on May 21 last and the objective depth of 3,987 metres was reached on June 13.

The Rajgarh structure, the Minister recalled, was the second discovered by Oil India in the recent past in Upper Assam area. The first was the Tinali structure where oil had flowed through 5 mm choke at the rate of about 350 barrels a day.

Mr. Sharma said initial exploration in the area had been carried out in 1963-64 without success. Exploration thereafter was suspended for the time being.

A detailed survey was conducted in 1983-84 with the help of modern common depth point method of shooting and deploying digital field recording systems. The data required was processed and interpreted by Oil India's geoscientists at their computer centre at Duliajan.

The Minister disclosed that two more wells were proposed to be drilled on the Rajgarh structure during the current year.

Oil India now produces oil in Assam and Arunachal Pradesh. Its output in 1984-85, having been 2.73 million tonnes of crude oil. It is also conducting exploratory activities both onshore and offshore in Orissa and on shore in Rajasthan. Oil India is expected to take up exploratory drilling in the Andamans shortly.

The estimated resources in the Upper Assam area are around 900 million tonnes of oil and oil equivalent of gas. Of this about 500 million tonnes have been converted into geological reserves.

The oil basin in Upper Assam covers an area of 10,000 sq.km. Oil India holds a petroleum exploration licence for 6,086 sq.km. Among the fields already in production are Moran, Naharkatia, Jorajan, Digboi, Kharsang and Tinali.

CSO: 4600/1687

INDIA

NEW LAW CURBS TRADE UNIONS IN INTELLIGENCE AGENCIES

Bombay THE TIMES OF INDIA in English 27 Aug 85 p 6

[Text]

PARLIAMENT today approved a bill seeking to maintain proper discipline and restrict trade union rights in Intelligence Bureau (IB) and Research and Analysis Wing (RAW), two premier intelligence gathering agencies, with the Rajya Sabha adopting it.

Replying to a discussion on the intelligence organisations (restriction of rights) bill, which was passed by the Lok Sabha last week, the minister of state for home, Mr. Arif Mohamimad Khan, said the government would go in for modernisation and sophistication of personnel and equipment in the intelligence agencies.

Mr. Khan said the first signs of indiscipline in the intelligence agencies and other such organisations surfaced in 1979. He said, the concept of placing restrictions on members of organisations responsible for law and order was very old. The minister pointed out that fairly extensive grievances redress cells existed in the intelligence organisations.

The bill encountered opposition in while the ruling party members lent support.

Opposition members criticised the bill as one seeking to abridge the fundamental rights of these employees. They charged the two intelligence departments with "total failure".

Ruling party members however supported the bill and said it was necessary to maintain discipline among these employees in the interest of the security and defence of the country.

Mr. Dipen Ghosh (CPM), who initiated the discussion, opposed the bill as it sought to restrict the fundamental and democratic rights of a section of the citizens. He pointed out that only last week the Prime Minister had spoken of the triumph of the functioning of democratic institutions in this country.

He, however, charged the intelligence agencies with total failure in preventing the assassination of Mrs. Indira Gandhi and Sant Harchand Singh Longowal.

Mr. P. N. Sukul (Congress) supported the bill. But he wanted the government to clarify the measures it had in mind to give justice to the employees in the matter of their genuine grievances. He pointed out that class three and four employees of the Central government and also the state government had no trade union rights at present.

Mr. Aladi Aruna (AIADMK) charged the intelligence department with all-round failure in making proper assessments of the law and order situation in the country at critical times.

Mr. M. S. Grupadaswamy (Janata) said he had no good word or respect for the intelligence agencies which, he said, had failed the country on crucial occasions during wars, assassinations, and killings, in finding missing documents and in discovering the real enemies of the country. If it had succeeded, it was only against the opposition parties and leaders.

Mr. P. K. Bansal (Cong.) urged the government to have a second look at the service conditions of people in intelligence agencies who were hard-pressed due to the rising prices. He called for recruitment of the right kind of persons in the intelligence system.

Mr. P. L. Khandelwal (BJP) alleged that government was using the intelligence network for its political ends. He felt that the bill was intended to suppress the discontent in the intelligence agencies due to mismanagement and favouritism.

CSO: 4600/1698

INDIA

REPORTS ON DELEGATES TO MOSCOW YOUTH FESTIVAL

Congress-I MPs' Complaint

Calcutta THE STATESMAN in English 22 Aug 85 p 7

[Text]

NEW DELHI, Aug. 21.—Mr Rajiv Gandhi is reported to have "taken note" of a complaint made by several of his party M.P.s that a senior Congress (I) leader was responsible for the controversy that has erupted over the Youth Congress (I)'s participation in the recent Moscow World Youth Festival.

Eleven Congress (I) M.P.s met the Prime Minister on Monday in regard to the criticism against the conduct of the Indian delegation at the Moscow Youth Festival and alleged that "certain forces and frustrated individuals had hatched the conspiracy".

Three days ago, Mr Gurdas Karmat, M.P. and president of the Maharashtra Pradesh Youth Congress (I) Committee, had resigned on the issue of the "behaviour" of Mr Anand Sharma, president of the Indian Youth Congress (I), during the recent Moscow festival and the way he had "mismanaged" the affairs so far as the Indian delegation to the festival was

concerned.

Another allegation against Mr Sharma was that he had chosen a 500-strong delegation of the Youth Congress (I) for the festival from among people who had "nothing to do with the organization and had been selected purely for private reasons" and that large sums had been taken from them for the selections made. It was even implied that members from the RSS and the Bharatiya Janata Party were selected by Mr Sharma for the Indian delegation to Moscow.

According to a prominent Congress (I) M.P., the "conspiracy" against Mr Sharma had been "engineered" by a senior party leader, who had felt offended when the former president of the Indian Youth Congress (I), Mr Anwar Tariq, was asked to step down, and Mr Anand Sharma was asked to take over. Subsequently, there was a purge in the Youth Congress (I) and the entire set-up was re-organized and even some of the personal staff of Mr Anwar were eased out.

'Misbehavior' of Delegates

Bombay THE TIMES OF INDIA in English 21 Aug 85 p 1

[Text]

PUNE, August 20: The son of a Central minister, who was a member of the Indian team at the Moscow Youth Festival, was arrested by the Soviet police at Shametaya airport for "smuggling Russian currency," Mr. Ram Kamble, secretary of the All-India Yuva Janata, alleged here today.

Mr. Kamble, who had also been to the youth festival, told a news conference that when the police asked the minister's son about the source of the Russian currency in his possession, the latter mentioned his father's name who had returned from the Soviet Union a few days ago.

The Yuva Janata leader said he has written to the Prime Minister, Mr. Rajiv Gandhi, giving details of the incident. He congratulated Mr. Gandhi for calling a detailed report about the "misbehaviour" of the members of the Indian delegation in Moscow.

Citing another incident, Mr. Kamble, said a leader of the delegation tried to obtain an import licence from the Soviet authorities.

This leader displayed a bicycle and some sample tobacco and was inquiring with the Russians if there was a market for these items in their country.

Mr. Kamble said 15 members of the Youth Congress were involved in misconduct with Russian girls at Ismalov Park. As a result, the Soviets prohibited all the Indian delegates from attending the dance programme held in that park.

CSO: 4600/1691

INDIA

PROSPECTS FOR AUTUMN HARVEST REPORTEDLY BRIGHTEN

Madras THE HINDU in English 26 Aug 85 p 9

[Text]

NEW DELHI, Aug. 25.

The abundance of the current monsoon has raised hopes that the target of 89.2 million tonnes for this year's kharif crop will be reached.

Rainfall has been widespread over large parts of the country, though it has been less than normal in Karnataka, Maharashtra, Gujarat, East Rajasthan and western U.P. Kerala, Punjab, eastern U.P., Bihar and Assam have been hit by floods, but weathermen do not consider such deviations unusual in a country of India's dimensions.

A review by the Union Ministry of Agriculture and Rural Development says that sowing operations are complete or near-complete in respect of important kharif crops like rice, coarse grains, pulses, oilseeds, cotton, jute, mesta and sugarcane. There has been a nine per cent increase in the area under jute and a three per cent expansion of the area under mesta.

Satisfactory crop growth: The overall crop growth is satisfactory till now. Minor aberrations have, however, been reported from some States.

Pest attacks: Unbroken rain for several weeks is stated to have caused bacterial leaf blight in the paddy crop in Punjab. Moderate to severe pest attacks on cotton have been reported from Punjab, Bihar, Haryana, Rajasthan and Andhra Pradesh.

Quality seeds: The Union Agriculture Ministry has arranged to provide 31.6 lakh quintals of certified and quality seeds of cereals, pulses and oilseeds through the public and private sector seed producers. Plans have also been made to supply 47 lakh tonnes of nitrogen, phosphate and potash nutrients, a 21 per cent increase over the 1984 kharif year consumption. By mid-August, 80 per cent of these fertilizers were in position for supply to farmers. There has been no report of shortage of inputs.

The Ministry has set a target of 160 million tonnes of foodgrains — 89.2 million tonnes during kharif and 70.8 million tonnes during rabi — for the current year.

CSO: 4600/1697

INDIA

PRESS COUNCIL 1984 REPORT LAUDS MEDIA PERFORMANCE

New Delhi PATRIOT in English 29 Aug 85 p 5

[Text] The Press Council of India has lauded the fourth estate in the country for discharging its responsibilities "in a worthy manner" during the eventful year of 1984 which was marked by Operation Bluestar and the assassination of Mrs. Indira Gandhi, reports PTI.

In its annual report for 1984, the council also noted that violence against the representatives of the press "manifested in all parts of the country many a time during the year."

While urging the authorities to afford protection from violence to the press corps, it also reminded the Press of its special role in promoting communal peace, harmony and amity among all sections of the society, it said.

The council said that the Central Government had accepted its recommendations to inform the district magistrates all over the country that the PRB Act, 1867, did not empower them to cancel the declaration of a newspaper for indulging in scurrilous writings or yellow journalism.

The best course was to file complaints of this nature with the Press Council, the report had suggested.

The council had recommended that newsmen should have greater defence in innocent unintentional defamation. It endorsed the recommendations of the Law Commission that where charges against newspapers were found to be substantiated, the committing court shall have powers to direct that the judgment shall be published in such newspapers as the court may specify.

The council proposed to the Centre that modifications to certain central press accreditation rules might be considered affecting the rights and working conditions of the accredited journalists.

To ensure objective and factually correct reporting by the Press and for helping restore peace and harmony between the communities, the council decided to explore the possibility of arranging a seminar or a roundtable conference of the peers of the profession and other respectable citizens.

During the year under review, the council in collaboration with the Indian Law Institute brought out a compendium of adjudication rendered on the cases between 1979-82 and by erst-while Council set up under the 1966 act between 1966-75.

The council expected that this compendium, bifurcated into six parts, would provide necessary guidelines to the print media in maintaining and improving standards of reporting. A similar digest which would serve as a pointer in relation to the conduct of authorities vis-a-vis the Press was under preparation, the council said.

According to the annual report, the council registered 97 fresh cases under Section 13 and 189 under Section 14 of the Press Council Act during 1984, while 63 and 134 cases respectively were pending from the previous year. The council rendered 50 and 71 adjudications respectively as compared to 28 and 17 cases disposed of in the previous year.

CSO: 4600/1702

INDIA

NAMBOODIRIPAD ARTICLE DISCUSSES COMMUNIST RELATIONS

Calcutta THE TELEGRAPH in English 28 Aug 85 p 4

[Text]

Trivandrum, Aug. 27 (PTI): The CPI(M) general secretary, Mr E.M.S. Namboodiripad, has described the demand for an early merger of the two communist parties as "putting the cart before the horse."

Writing in the annual issue of the party's official weekly, he said the merger proposal only diverted people's attention from the real objective of united action by the two parties in practical fields.

He said united action by the two parties, without even giving a thought to merger, was possible because they had more ideological affinity with each other on all practical issues than other parties.

Mr Namboodiripad said both the Communist parties had made efforts to correct the mistakes committed in the past. In spite of such self criticisms and corrective steps, the stands of the two parties on ideological and political issues were "poles apart," he added.

Mr Namboodiripad admitted that on certain international issues, like mobilising the people against the nuclear threat, there was 75 per cent agreement between the two parties. There was also general agreement on some of the internal issues.

CSO: 4600/1700

INDIA

BRIEFS

AID TO MAURITIUS--India has agreed to render assistance worth Rs 2.5 crore for 23 new projects in Mauritius in diverse fields ranging from agriculture, industry, energy, bio-gas, tourism, communications, health and training facilities. The agreement was signed by Minister of State for External Affairs Khursheed Alam Khan and Mauritian Economic, Planning and Development Minister Beergoonath Ghurburrin in the Capital on Friday. The session considered a number of proposals from Mauritius, and later identified 28 projects for Indian assistance. Of them, 15 projects were fully endorsed and eight partially agreed to. On the remaining five, discussions would be continued at the next session of the Joint Commission in 1986, the External Affairs Ministry spokesman said. To facilitate completion of the new projects, 26 Indian experts will go to Mauritius, and 34 Mauritian trainees will come to India. These exchanges would be in addition to other training facilities and loaning of experts by India already being extended to Mauritius. As per earlier agreement, 20 heart patients from Mauritius will be treated in Indian hospitals every year. [Text] [New Delhi PATRIOT in English 31 Aug 85 p 5]

JAPANESE LOAN--Japan has indicated loan assistance to India totalling over 39 billion yen (approximately Rs 196 crore) during 1985-86, reports PTI. According to a Japanese embassy press release, the loan will be extended for the execution of five projects. HBJ Gas Pipeline Project (15.8 billion yen, or Rs 79 crore), Aonla Fertiliser Plant in UP (9.5 billion yen), Sardar Sarovar Hydro-Electric Project (2.85 billion yen), Ujjani Hydro-Electric Project in Maharashtra (1.5 billion yen) and Telecommunications Project (9.58 billion yen). [Text] [New Delhi PATRIOT in English 28 Aug 85 p 2]

CRUDE FOR ALGERIA--Algiers, Aug 23 (APS-Pool)--India is to supply Algeria with 500,000 tonnes of crude oil under a contract signed recently. The contract between Indian Oil Corporation and the Algerian National Enterprise Sonatrach will further trade and cooperation between the two countries. It also reflects their common determination to give the South-South cooperation a positive and real content. [Text] [New Delhi PATRIOT in English 24 Aug 85 p 2]

LETTER TO THATCHER--London, Aug. 25 (PTI, AP)--The Prime Minister, Mr Rajiv Gandhi, has written to his British counterpart, Mrs Margaret Thatcher, urging her to use Britain's influence to bring about a change in South

Africa's apartheid policy. India has strongly denounced the attitude of the Pretoria regime and has called for action by the international community which would force it to dismantle apartheid. Britain, on the other hand, is opposing moves to impose economic sanctions against South Africa. Mr Gandhi is understood to have pointed out in his letter that several countries have taken measures against the racist regime. A spokesman for 10, Downing Street--the Prime Minister's office--said today that Mrs Thatcher would be replying to Mr Gandhi's letter and the matter was being "treated expeditiously." Britain is totally isolated in the Commonwealth in its continued opposition to sanctions. [Text] [Calcutta THE TELEGRAPH in English 26 Aug 85 p 1]

PROJECTS IN SOVIET UNION--New Delhi, Aug. 23 (UNI)--The finance minister, Mr Vishwanath Pratap Singh, today said two hotel construction projects in the Soviet Union were being assigned to Indian firms. Addressing the consultative committee of Members of Parliament attached to his ministry, he disclosed that a Soviet delegation was expected to visit India in October for final discussions in this regard. This formed part of bilateral cooperation in the services sector which had been incorporated for the first time in the new Indo-Soviet trade protocol, the minister said. The hotels are to be built in Samarkhand and Bukhara. Briefing newsmen about the deliberations at the consultative committee meeting, an official spokesman said attention was focussed on trade with the east European bloc, comprising nine countries including the Soviet Union. [Text] [Calcutta THE TELEGRAPH in English 24 Aug 85 p 6]

FAROOQ ABDULLAH APPEAL--Srinagar, August 27--The former Jammu and Kashmir chief minister, Dr. Farooq Abdullah, today appealed to the Congress to withdraw support to the minority Shah regime to facilitate dissolution of the state assembly and holding of fresh elections in the state. Addressing a huge Id congregation at the Idgah, Dr. Abdullah welcomed the announcement of elections in Punjab and hoped the poll would be free and fair. He also appealed to the Centre to safeguard the rights of the minorities in Assam which, he felt, were in danger following the Assam accord. Speaking on the occasion, the Awami action committee chief, Mirwaiz Moulvi Farooq, condemned the forces of violence, terrorism and hatred and said all religions, especially Islam, teach religious tolerance, the oneness of mankind and human dignity. [Text] [Bombay THE TIMES OF INDIA in English 28 Aug 85 p 1]

POWER GENERATION BREAKTHROUGH--Indian scientists and engineers have succeeded in generating electricity by a new method called magneto hydro dynamics (MHD) at the country's first experimental plant set up for this purpose at BHEL, Tiruchi, reports TOINS from New Delhi. The development marks a major milestone in this field as the MHD method of power generation will pave the way for very high-efficiency thermal power stations in future. The MHD method directly converts energy from hot gases from coal flowing through a high-powered magnet. The successful power run was achieved at the pilot plant at Tiruchirapalli ten days ago. The project sponsored by the department of non-conventional energy sources is being carried out jointly by BHEL and the Bhabha Atomic Research Centre. According to BHEL, the MHD-steam power plants can achieve overall efficiencies of 46 to 50 per cent compared to the

present conventional thermal power plant efficiency of around 30 per cent, leading to substantial savings of coal. The use of coal gas in MHD power generation also cleans up virtually all pollution found in the present-day coal-based thermal power plants. [Text] [Bombay THE TIMES OF INDIA in English 28 Aug 85 p 9]

ALLEGATION AGAINST CIA--(UNI)--The Republican Party of India (Gavai) general secretary, Mr. W. K. Ganar on Tuesday alleged that the all-India Maratha Mahasangh's proposed anti-reservation stir is inspired by America's Central Intelligence Agency (CIA). In a statement in Nagpur, he said the CIA was planning to repeat "Gujarat" in Maharashtra through the Mahasangh as part of its destabilisation programme. He warned that Dalits would give an effective reply to the Mahasangh if it plunged the state into a "caste war" and demanded the arrest of Mahasangh president, Mr. Shashikant Pawar, under the National Security Act. [Text] [Bombay THE TIMES OF INDIA in English 29 Aug 85 p 16]

PLANNING COMMISSION MEMBER--New Delhi, Aug. 28--Mr Buta Singh, Union Minister for Agricultural and Rural Development, has been appointed member of the Planning Commission, it was officially announced here today. The other members of the Planning Commission are Mr Vishwanath Pratap Singh, Union Minister for Finance, Mr P. V. Narasimha Rao, Union Minister for Defence, Mr G. K. Menon, Dr C. H. Hanumatha Rao, Dr Raja J. Chelliah, Mr Hussain and Mr Hitten Bhaya. Mr Rajiv Gandhi, Prime Minister, is the Chairman of the Planning Commission and Dr Manmohan Singh is the Deputy Chairman. [Text] [Calcutta THE STATESMAN in English 29 Aug 85 p 1]

SOVIET AID SOUGHT--The West Bengal Government has requested the Soviet Union to build the 630-MW Bakreswar thermal power plant and the 67.5-MW Teesta Canal Fall Hydrel Project on a turnkey basis. The State Government has also sought Soviet financial assistance in full or in part, for construction of the two power projects, it is learnt. The USSR Trade Commissioner in India met the Chief Minister on August 12 when the question of Soviet participation in the construction of the two power projects was discussed. Thereafter a formal proposal was sent to the USSR Trade Commissioner. It is learnt that the cost of the Brakeswar Project is estimated to be about \$700 million (U.S) of which 67 per cent is the cost of mechanical and electrical equipment and spare parts. The balance (33 per cent) will be needed for civil construction and for payment of cost of land. The Teesta hydel project is estimated to cost \$70 million (U.S.). The State Government prefers that the USSR bear the entire or a substantial part of the cost for both the projects. The pattern of Soviet financial participation, the State Government has suggested, will be finalized after negotiation with the Government of India. Regarding repayment of the Soviet loan, the State Government wants a moratorium on such repayment till commercial generation by the plant. The period of repayment, the instalments and the rate of interest on loans would be decided on the basis of a mutual agreement. [Text] [Calcutta THE STATESMAN in English 27 Aug 85 p 1]

PUNJAB-HARYANA COMMISSION--New Delhi, Aug. 22--Former Supreme Court Judge, Mr. K. K. Mathew, will head the Commission constituted by the Government to determine the Hindi-speaking areas of Punjab to be included in Haryana in lieu of Chandigarh. The Minister of State for Home Affairs, Mr. Arif Mohammad Khan, said in the Lok Sabha today that, the commission shall apply the principles of contiguity and linguistic affinity with village as a unit. It will also decide on and take into consideration other relevant and appropriate factors, and submit its recommendations by October 31. That would be two months before the deadline mentioned in the Rajiv-Longowal agreement on Punjab. [Text] [Madras THE HINDU in English 23 Aug 85 p 9]

PRAISE FOR SOVIETS--Moscow, August 21 (UNI)--The finance minister, Mr V.P. Singh, has said that after India became independent "the Soviet Union proved to be the only country to help India foster advanced industry and agriculture," reports Tass. Mr Singh was speaking yesterday at a meeting held at a state farm, 30 km from the Soviet capital, to mark the 39th anniversary of India's independence and the treaty of peace, friendship and cooperation between the two countries. The party was attended by members of the Soviet-Indian friendship society and by Indian diplomats in the Soviet Union. [Text] [Bombay THE TIMES OF INDIA in English 22 Aug 85 p 6]

CSO: 4600/1693

PAKISTAN

INDEPENDENT PLANNING COMMISSION VIEWS 'GENUINE' TRANSFER OF POWER

Karachi DAWN in English 31 Aug 85 p 2

[Text]

LAHORE, Aug 30: The draft report of the Independent Planning Commission has suggested that "genuine" transfer of power from the bureaucratic institution, which is the legacy of British imperialism, to the elected representatives of the people would ensure "real" democracy, under which there would be no room for martial law in the country.

The report, which was made public by Dr Mubashir Hasan at a Press conference here on Friday, two years after the establishment of the commission, is of the view that doing away with bureaucratic cadres established by the British rulers, replacing the bureaucracy with people's representatives at all levels, and ensuring that civilians in higher esteem than the military, will culminate in "real" democracy, and thus eliminate the threat of martial law for all times to come.

The draft report, compiled by 15 members of the commission from all walks of life, covers wide-ranging subjects in seven chapters in which important subjects are discussed in question-answer form. It discusses comprehensively subjects like ethnic antagonism, provincial autonomy, judicial reforms, transfer of power from the bureaucracy to the people, problems of different classes, "genuine" foreign and defence policies, freedom and fundamental rights, women's rights, and problems of education, health, com-

munication, agriculture, industry, labour, foreign loans and non-alignment, particularly with reference to Afghanistan and other neighbouring countries.

The draft report on which comments are to be solicited from leaders of public opinion before it is given final shape, is of the view that there is no imminent danger to Pakistan from any of the neighbouring countries, including the Soviet Union. Danger to Pakistan comes from the United States which, the report maintains, is least interested in the country's integrity. American policy, the report opines, has changed from breaking Pakistan in 1971 to keeping it intact for selling it armaments, as at present.

As for the Soviet Union, India, China, Afghanistan and Iran, the unity of Pakistan is in their prime interest, it says adding that under such circumstances Pakistan must not indulge in the superpower rivalry and should adopt complete neutrality and a genuinely non-aligned policy. According to the recommendations of the report, the time is ripe for Pakistan to attain a neutral status. The present foreign policy is "suicidal", the report says.

As for defence policy, the report is of the view that military government and Pakistan cannot coexist, as the peculiar training received by the military is in conflict with the requirements of a civil government.

The report found that Pakistan

could prosper only through popular participation in governmental affairs, adoption of ways and means to eliminate provincial differences as well as "correct" international economic policies, for which the foreign and defence policies need to be rationalised in accordance with the requirements of the country.

Observing that Pakistan had ample resources to embark on a course of rapid progress, the report says that most of these resources were either not being exploited or wasted to an extent that wealth was being drained abroad. Since a large part of national wealth was tied up in the bondage of proprietary rights, the owner-servant relationship should be done away with, and the tillers given ownership of lands for agricultural and industrial production and residential purposes.

According to Dr Mubashir, about 30 million workers in Pakistan had almost no jobs, which was a great waste of potential.

Replying to a question, Dr Mubashir said that Pakistan was faced with no immediate threat from India. The danger was long-term, as India was developing its armaments and allied industry, in which both the superpowers were supporting it. Describing India as "a big time bomb of history," the report says that it might develop into a danger for world peace with the passage of time, as it would eventually need foreign markets to dispose of its harmful products.

PAKISTAN

PROSPECTS FOR TEXTILE INDUSTRY REVIEWED

Karachi ECONOMIC REVIEW in English Aug 85 pp 29-34

[Article by Javed Saifullah Khan]

[Text]

The story of the growth of the Cotton Textile Industry in Pakistan is simply fascinating. From a net importer of Yarn and Textiles in 1950, we had by 1970 emerged as the largest exporter of Cotton Yarn in the world and a leading exporter of Cotton Fabrics. We have also made a debut as exporters of made-ups, towels, tents, canvas and garments and the export of these value-added items has been increasing day-by-day.

The contribution of textile manufactures to the total earnings of the country's foreign exchange was as high as 40% in 1976-77. Since then owing to world-wide recession in the textile sector it has been going down and in 1980-81 it was 25%. But this should be enough to indicate not only the large contribution of the textile industry but the tremendous potential of the industry which was set-up with marked export-orientation.

From total Dependence on Imports to Sizeable Exports: The Pakistan cotton textile industry has come a long way when we consider the fact that at its inception Pakistan had to import cotton textiles worth Rs. 50 crores every year; but today we are in the happy position of being the world's largest exporter of Cotton Yarn. Our share in the world's export of Cotton Yarn is around 22%. Even in the export of Cotton Fabrics, although we entered the export market only recently, our share in the total World exports has now reached 8%. The pheno-

menal growth in the capacity production and exporters of textile manufactures from Pakistan is highlighted in the tables I & II.

Despite its phenomenal growth during the past three decades, the state of the textile industry in Pakistan has not been particularly healthy, if not positively sick for quite some time now. But this has been the state of the textile industry in India too, and indeed all over Asia. Seen in 1950s and 1960s as the easy path to industrialisation, textile manufacturing became the corner stone of most Asian economies and an easy way to move their population out of the fields into the factories. The availability of raw materials and labour in abundance and the simple technology required helped the rapid growth of textile production which was seen as an answer to the problems of unemployment and exports. Demand appeared almost infinite at home as well as abroad, and the much needed dollars, pounds, marks and francs were earned with comparative ease.

For many years these optimistic projections were borne out in practice. The textile industry became the engine of industrialisation in the Asian countries. Today it is their most important export industry, and apart from agriculture it is the largest provider of jobs. This is particularly so in Pakistan, which has a Single-crop cotton economy giving the cotton textile industry a pivotal position in the national economy. The textile indus-

Growth of Textile Industry in Pakistan

| Years | Spindles (000) | Rotors (000) | Looms (000) | Yarn Pro- duced Mil- lion Kg. | Cloth Pro- duced Mil- lion Sq. Mtr. |
|---------|-------------------|-----------------|----------------|-------------------------------------|-------------------------------------------|
| 1948 | 78 | — | 3 | N.A. | N.A. |
| 1954 | 1,113 | — | 15 | 80.3 | 235.9 |
| 1960-61 | 1,586 | — | 27 | 117.9 | 513.0 |
| 1964-65 | 1,967 | — | 31 | 205.9 | 597.5 |
| 1965-66 | 2,056 | — | 31 | 194.1 | 544.5 |
| 1966-67 | 2,043 | — | 30 | 206.8 | 571.5 |
| 1967-68 | 2,048 | — | 30 | 224.5 | 597.6 |
| 1968-69 | 2,175 | — | 30 | 238.6 | 593.8 |
| 1969-70 | 2,397 | — | 31 | 273.1 | 606.5 |
| 1970-71 | 2,605 | — | 30 | 303.4 | 658.3 |
| 1971-72 | 2,848 | — | 30 | 335.7 | 628.2 |
| 1972-73 | 3,226 | — | 29 | 376.1 | 588.6 |
| 1973-74 | 3,308 | — | 29 | 379.4 | 592.2 |
| 1974-75 | 3,410 | — | 29 | 351.2 | 555.8 |
| 1975-76 | 3,478 | 1 | 29 | 349.6 | 520.4 |
| 1976-77 | 3,544 | 1 | 29 | 282.6 | 408.3 |
| 1977-78 | 3,560 | 4 | 26 | 297.9 | 391.3 |
| 1978-79 | 3,704 | 14 | 27 | 327.8 | 339.3 |
| 1979-80 | 3,731 | 16 | 26 | 362.9 | 342.3 |
| 1980-81 | 3,983 | 19 | 25 | 374.9 | 307.9 |
| 1981-82 | 4,180 | 22 | 24 | 430.1 | 325.0 |
| 1982-83 | 4,265 | 27 | 24 | 448.4 | 335.5 |
| 1983-84 | 4,244 | 29 | 24 | 431.6 | 296.6 |

try accounts for 8% of our GNP and 40% of the total employment in the large scale manufacturing sector. It contributes 26% to the share of the same sector in the GNP. The growth of the Pakistan textile industry has been highly export-oriented, and its contribution to the total foreign exchange earnings of Pakistan has been steadily on the increase. It would, therefore, not be out of place if I assert that Pakistan depends on its exports of textiles to a much larger extent than other developing countries, and, therefore, our National Economy is more vulnerable to the unhealthy developments that are taking place in the world trade in textiles than our more fortunate neighbours in the Near and the Far East.

It is this predominant position and export-orientation of the textile industry in Pakistan that is the main cause for the ups and downs in the National Economy. The worldwide recession felt in the tex-

tile sector in 1973-74 adversely affected Pakistan, which found it increasingly difficult to maintain a stable and growing economy. Thus the present recession in the textile sector would have a proportionately large effect on our national income and employment. The reason for this is that at a structural level the textile industry has a nexus of backward and lateral linkages not only with a whole range of industries but also and more importantly with the agricultural sector. This wide ranging structural integration of the textile industry with the rest of the economy makes the multiplier effect of a reduction of output in this industry much greater than in any other sector of the economy. Thus the macro-economic effect of a recession in the textile industry is diffused throughout the economy and in quantitative terms is much greater than would be indicated by the share of the output of the textile industry in GNP.

Our textile industry continued to fulfil its obligations to the national economy most successfully till the end of the 1960s. But the advent of the 1970s brought in its wake problems created by the success of the industry which had led to a preponderant reliance on the textile industry as an employer and a source of foreign exchange earnings. The development of the more sophisticated industrial processes was neglected, and the growing consumer of our major Cash Crop — Raw Cotton and is a creator of employment opportunities for our everincreasing population. Let me discuss the factors which favoured the growth in the past as well as those factors which contributed to the set-backs:—

a) The conditions for the rapid growth of the textile industry were extremely favourable during the Fiftys (1950s) and protectionist tendencies in the West made it clear that the rich countries of the world were not prepared to take unlimited quantities of economically priced textile goods particularly when these were creating unemployment in their domestic industry.

Prospects for Growth

I need hardly mention here the tremendous potential of the industry as a the Sixtys. Cotton and Labour was cheap. Foreign Exchange was available at reasonable rates and in abundance. On the export front we were operating in a Seller's Market and were able to dispose of poor quality goods as well. The uncertain economic and political conditions in the Middle and the Far-East helped us. At home we were operating in a sheltered market. This brought in enormous profits leading to further investment and expansion of the industry. There were good results as well as bad results of the extremely favourable conditions in which the textile industry was growing. We shall discuss this as we go along.

b) With the beginning of the Seventys the scene began to change very rapidly allowing us little time to think or make the necessary adjustments. The shock came in the shape of the loss of East Pakistan, to which a sizeable quantity of Yarn and Cloth produced in what now constitutes Pakistan, was exported.

c) A Socialist Government came into office and enunciated economic policies which were diametrically opposite to those valid in the earlier decade. Nationalisation of banking, enlargement of the public sector, castigation of the private sector — all these are known to you. The point we are concerned here is that the performance in the textile industry was largely influenced by the economic policies of the PPP Government.

d) The Devaluation of the Rupee in 1972 upset the total financial structure and calculations, the basis of servicing of loans and the pricing of the products in the export market etc. The single factor administered such a big shock to the industry that it has yet to recover from the same. The Debt-Burden that has been created has baffled the most talented managers and financiers and inhibited their performance for almost a decade now.

The Challenges of the Seventys

But with the advent of the Seventys, the management or to be more precise — the entrepreneur in the textile sector was faced with many challenges all of a sudden and for which he was totally unprepared. I have referred to these earlier viz. the advent of the Socialist Government and the economic policies enunciated by it, the Devaluation of the Pak. Rupee, the promulgation of a Labour Policy which abolished the right to hire and fire and increased the benefits and privileges of the workers far beyond what the entrepreneur was prepared to conceive, etc. To all these must also be added the emergence of serious competition in the domestic as well as the world market. While the sheltered home market for cloth was fast disappearing with the emergence of a large powerloom sector and rapid expansion in capacity abroad, the Sellers Market had turned into a Buyer's Market with the emergence of large textile industries in the countries of South-East Asia and the Far-East. While we had certainly taken the lead in rapidly expanding our textile industry, the other countries of South-East Asia were not slow in catching up. Seen in 1950s as the easy path to industrialisation, textile manufacturing became the corner stone of most Asian economies and an easy

Pakistan Export of Cotton Yarn and Cotton Cloth

| Years | Cotton Yarn | | Cotton Cloth | |
|---------|---------------------------|------------------------|----------------------------------|------------------------|
| | Quantity (Million Kgs) | Value (Million Rs.) | Quantity (Mil- lion Sq. Mtr.) | Value (Million Rs.) |
| 1964-65 | 31.4 | 127.1 | 151.2 | 123.2 |
| 1965-66 | 24.1 | 102.1 | 162.5 | 147.9 |
| 1966-67 | 29.4 | 115.5 | 183.3 | 164.2 |
| 1967-68 | 60.3 | 211.2 | 229.8 | 194.0 |
| 1968-69 | 61.1 | 207.7 | 263.0 | 226.0 |
| 1969-70 | 72.7 | 254.0 | 297.6 | 257.6 |
| 1970-71 | 103.1 | 356.9 | 386.4 | 311.1 |
| 1971-72 | 130.4 | 605.6 | 374.6 | 387.3 |
| 1972-73 | 184.4 | 1,984.9 | 565.5 | 1,254.3 |
| 1973-74 | 100.6 | 1,876.0 | 380.1 | 1,424.6 |
| 1974-75 | 75.8 | 851.4 | 440.8 | 1,312.7 |
| 1975-76 | 110.5 | 1,421.6 | 463.1 | 1,361.2 |
| 1976-77 | 61.7 | 1,074.1 | 416.8 | 1,602.8 |
| 1977-78 | 59.9 | 1,059.3 | 453.5 | 1,741.4 |
| 1978-79 | 97.9 | 1,956.2 | 531.5 | 2,135.4 |
| 1979-80 | 99.8 | 2,038.0 | 545.8 | 2,416.5 |
| 1980-81 | 95.2 | 2,049.7 | 500.9 | 2,389.6 |
| 1981-82 | 95.6 | 2,074.9 | 584.3 | 2,949.1 |
| 1982-83 | 134.1 | 3,145.9 | 605.3 | 3,579.0 |
| 1983-84 | 101.8 | 2,930.7 | 664.4 | 4,856.1 |

way to move their population out of the fields into the factories. Spinning capacity in countries competing with us increased manifold and made it increasingly difficult for our Yarn and Cloth to find outlets. They had the additional advantage of being equipped with the latest machinery and most advanced technology. Unfortunately owing to the policies which discouraged investment by the private sector, Modernisation of the Textile Industry was sadly neglected during the Seventies. While there may be some justification for what happened during the decade of the Seventies, I have no hesitation in stating that the Managerial Performance in the textile industry did not succeed in meeting the challenges of growing competition in the World market and the far-reaching changes in the Socio-Economic Scene at home. As a consequence we have witnessed during

this period extremely low performance all over the textile sector — low productivity of the man and machine, poor financial results, neglect of machinery and equipment, lack of aggressive marketing efforts to meet the challenge of the competitors etc.

The Present Phase of Revival 1977-84

This now brings me to the present phase in the textile industry which began at the end of the Seventys (1970s). Permit me to call this — A period of Revival. The present Government seemed to be aware of the sad state of affairs which had overtaken textile industry. Although it had not undone the many ill-conceived policies of the earlier regime, it has certainly developed a policy-package for the recovery of the textile industry and taken certain positive steps which has helped

textile industry improve its performance. These steps are:—

- a) Realistic pricing policy of Cotton.
- b) Grant of Compensatory Rebate on Exports.
- c) Massive support to the Modernisation Programme of the industry.

The realistic pricing of Cotton and grant of Compensatory Rebate helped the textile industry regain its viability and competitive ability while the Modernisation Programme enabled it to produce better quality goods for the increasingly quality-conscious markets abroad and face stiff competition from those who were endowed with the most modern technology. The performance in the textile industry showed market improvement financially as well as managerially. The following facts give a clear picture:

- a) The number of textile mills which declared pretax profits between 1979 and 1983 increased year-by-year and the number of units with pretax losses was reduced. (However, this trend has been revised from 1984 which I shall discuss later as it calls for change in Policy).
- b) The industry has invested almost Rs. 1200 million for Modernisation of its obsolete equipments.
- c) Between 1977 and 1984 over 100 new textile mills covering over one and a half million spindles have been installed and have gone into production. Many applications for installation of new units are awaiting clearance and a large number are reported to have been cleared recently.
- d) 30 units covering over 600,000 spindles have undergone a change of Management. Healthier groups have taken over these units and re-activated some of these in a short time. Others are under revival.
- e) Exports of Cotton Yarn increased from 60 M/Kgs in 1975-76 to 100 M/Kgs in the early eighties. Those of cloth increased from 416 M/Sq. Meters to 600 M/Sq. Metres. But there these have stagnated called for a fresh approach.

The Relapse – Years of Cotton Crisis and Heavy Losses

Unfortunately the beginning of the Eightys has witnessed a watering down of the positive policy enunciated by the present regime in 1977-78 to help the re-

covery of the textile industry. Three years is too small a period to restore any industry to full health specially when the textile industry had been a special target of attack during a full seven-year period. It had to bear the brunt of the ill-conceived economic policies from the very beginning of the Seventys. This was a period when the world had moved fast and our competitors had equipped themselves with the most modern machines and succeeded in establishing a foothold in our traditional markets with the help of massive support from their Governments while we were not only facing discouragement and disincentive but our cotton yarn and cloth was subjected to Export Duties when whole world was subsidising exports of Cotton Yarn. Luckily for us there was a reversal of the trends by the end of the Seventys and duty-free imports of machinery for Modernisation, Balancing and Replacement was allowed. But it takes time for the industry to generate surplus funds for investment and also arrange for supplies; and modernisation also has to be adopted as a continuous process if we have to stay in business in competitive world market. At the slightest signal of some recovery we immediately want to relapse into the old ways and withdraw the support which has produced results. We are not only slow in reaching to the changes that are taking place in the world around us, but we have yet to develop the courage to take positive steps in adequate measures. We are always found doing too little too late and that is what makes the performance of textile industry look small even though it was facing bigger challenges and making Herculean efforts.

This was seen in bold relief when the country was overtaken by an unprecedented Cotton Crisis in 1983-84. The Cotton Crisis was accentuated by the untimely & uncalled for withdrawal of supporting measures which has compelled some of our Members to call it the most tragic year in the history of Pakistan's Textile Industry the excellent units made a loss for the first time in their history. Lamenting on this tragic development one such mill has succinctly discussed the factors responsible and I quote:

“The year under review represents a period of great turmoil, and for the first

time in the history of this Company it has incurred a loss, mainly due to factors beyond our control.

Yet another mill has reiterated the same facts and analysed how the crisis was compounded by man-made factors and a totally incorrect diagnosis of the malady:

"The year review could possibly be termed as the worst possible in the history of Pakistan's textile industry. The tragedy is that the natural disaster – the failure of our cotton crop – was compounded by man-made ones. The unprecedented failure of the cotton crop by more than half and the consequential increase in the price of cotton which touched a staggering four-figure mark was not considered enough of a blow for the industry to bear and the last of the preferential treatment to export of yarn i.e. refinance facility was abolished on 31.1.1984. The reasons put forward for the removal of rebates and concessionary finance were the shortage of yarn in the local market and that the industry should stand on its own feet.

Once again the diagnosis was doubtful. The problem was not one of shortage of yarn in the domestic market but one of price. The prices of cotton yarn were increasing as the industry had to pay higher and higher prices for its raw material. What was required was a policy whereby the Price of the raw material could have been controlled which would in turn ensure a reasonable price of cotton yarn for the ancillary industry.

A Fresh Strategy – Emphasis on Blended Textiles

It appeared to us that no relief would be available on exports of Cotton Yarn although we still have enormous surplus after meeting the requirements of the entire ancillary sector. We, therefore, decided to formulate a fresh strategy to cope with a Policy which was manifestly designed to support one sector at the cost of the other when it appeared to us that no relief would be forthcoming in the shape of support to our exports of surplus Cotton Yarn. Our energies were, therefore, diverted to persuade the Policy-Makers to help us explore the possibilities of manufacturing and exporting Blended/Man-made Yarn and Textiles. We, therefore, sought the reform of the

cumbersome system of Drawbacks of Customs Duty on Blended Yarn and Fabrics and pleaded for the reimbursement of the Customs Duties on specific weight basis – which had been accepted in principle but not implemented in spite of our several representations.

Numerous documents and charts were prepared and submitted at short notice to the CBR which at long last issued the Notification on 13 November '84 accepting our plea and fixing the extent of repayment of Customs duty on specific weight basis on Blended Yarn and Textiles.

Fresh Strategy Receives Recognition and Needs to be Pursued

Let me avail myself of this opportunity to place on record our appreciation of the announcement made by the Federal Finance Minister on 14 April in support of the export sector where textiles figured prominently and recognition was accorded to the need to encourage the export of Blended Textiles by grant of a Compensatory Rebate. This is a step in the right direction and was overdue in view of the fact that these goods are not yet hit by Quota Restrictions in the rich countries of the world. Of late these countries have embarked upon vigorous protectionist policies in the Textile Sector. We had been pleading for a number of years that we should build-up substantial performance in the export of Blended textiles so that when Quotas are imposed we are not left out or the biggest markets of the world for want of performance. The time is running out for us as already legislative measures have been initiated in the advanced countries to restrict the imports of all textile products and the day is not far when quotas would be slammed on blended goods too. We must, therefore, on an urgent basis, take all other consequential steps necessary to step up the exports of blended textiles.

Duty on Man-Made Fibres

In this context substantial reduction in the prohibitively high rates of Customs Duties on Man-Made fibres needs to be considered on a priority basis. Our appeal on this subject has been with the Government for quite sometime now and we look forward to an announcement

in the forthcoming Federal Budget. We welcome the abolition of the Regulatory Duty of Rs. 3/- per Kg. on Polyester Fibre announced on the 6th inst. At the same time it was announced that the Customs Duty on Man-made yarns was reduced from Rs. 40/- per kg. to Rs. 30/- per kg. This had made our case for a reduction in the Customs Duties on Man-Made Fibres stronger, as the above reduction is not substantial and warrants reconsideration in the light of the position explained above.

Revival of the Weaving Capacity in the Mill Sector

While on this subject let me mention the woeful state of the Weaving Sector in our mills. The weaving capacity in the mills has been decreasing day-by-day. From 30,000 installed looms in 1971-72, these have been reduced to only 23,000. But the number of working Looms today is only 10,000.

Drawback on Chemicals & Dyes

Last year our representatives had, with the representatives of the CBR, carried out a meticulous exercise to fix reasonable Drawback of Customs Duty and Sales-tax on Chemicals and Dyes used in the manufacture of Bleached and Finished Fabrics. But this is still awaiting Notification from the CBR who have already been convinced of the genuineness of our representation. I wish to avail myself of this opportunity to appeal to the Government of Pakistan to bring this effort also to a successful conclusion.

Modernization and Technological Gap in the Textile Industry

We accorded the highest priority to Modernisation of our Industry and the Replacement of our equipment with a view to meet the Technological Gap in our industry and face the challenges of world-wide competition. We have to keep pace with the fast advancing technology in the Textile Sector if we have to remain in business in the world market. Although the Government was committed to a liberal BMR Programme, many hurdles had been created under the mistaken impression of protecting local manufactures in respect of such machines which they had not yet started producing. Impractical conditions were imposed

during the implementation which had reduced the BMR programme to a nullity. Machinery which was permitted replacement had to be scrapped and destroyed in the presence of officials. The machinery imported for Replacement has to be installed under the same roof and in the same location totally ignoring the requirements of space and sophistication of the modern technology.

Cotton — A Continuing Cause for Concern

It may seem strange that I should be expressing our concern on the Cotton situation in a year which has yielded a bumper crop of 5.8 million bales. But unfortunately the year witnessed a serious Credit Squeeze and the ceilings of the Banks burst making it impossible for them to make adequate credit available to our member-mills for purchase of Raw Cotton when good quality cotton was still available in the open market at reasonable rates. The Cotton Export Corporation suffered from no such disability and had no Credit Ceilings. The result was that it was able to pick up the bulk of good quality cotton quite early in the Season. So far 3 million bales have been purchased by the CEC while the textile mills could pick up only 2.5 million bales whereas their requirements for the year are in excess of 3 million bales. No spinnable Cotton is now available in the open market and the mills will, therefore, have to depend upon the CEC for their balance requirements exceeding half-a-million bales. We had expressed our apprehensions in this behalf as early as January '85 and sought the cooperation of the CEC. However, reports of bumper Cotton Crops all over the world created a scare. An anxiety to dispose of all available cotton at throw-away prices in the world market was in evidence.

We plead for a more rational approach. The domestic industry is entitled to receive supplies of its essential raw material from a State-owned Monopoly at least at the same price as it is sold to its competitors abroad — if not less. For this purpose we have suggested to the Government that if no support could be given in the form of Rebates and Re-financing to the export of our enormous surplus of cotton yarn available after

meeting the total requirements of all our ancillary industries, the least that the Government could do is to make credit available to the textile mills for the purchase of cotton outside the ceilings of the mills and the banks as in the case of the CEC. Such Credit should carry the same rate of interest as on Refinancing so as to strengthen our competitive ability which is being continuously eroded by cost-push inflationary pressures.

Long-Term Credit for Cotton

As the marketing of Cotton has undergone fundamental structural changes in Pakistan, mills are now required to buy their cotton requirements for the whole year early in the Season and store it. The requirements of Credit have, therefore, increased manifold and this problem needs to be resolved on a long-term basis by taking due notice in the Annual Credit Policy and making adequate provision. The ceilings of the mills also need drastic upward revision.

De-Regulation of the Economy and an Investment Oriented Budget

Our hopes are pinned on an Investment-Oriented Budget and we look forward to a resolution of our many longstanding problems on the basis of our recent experience. We also gather that there is a large Agenda for De-regulation which is currently under active consideration of the Government. We have made it known to the Government of Pakistan on more than one occasion where the Regulations have been pinching us and how these have prevented us from making a more significant contribution to the Export-led growth of our National Economy. Many developing countries have decided to move into the High-Tech Age. We too must make a beginning by bridging the Technological Gap created by the

hurdles and handicaps of outmoded Regulations. We fully endorse the hope expressed by the Government, that De-Regulation will create an environment in which the creative energies of both the public and private sectors could be re-directed to innovations and entrepreneurship leading to individual profits and social gains. Let me, therefore, end this article on this cheerful note and look forward to the fulfilment of our cherished goals—for we have — waited too long. This reborn hope, for those who remained crushed under the debris too long, has to be fulfilled and this is on the cards since the new regime desires no differently.

Textile Board

With the end of the cumbersome regulations in sight, permit me to make a final suggestion necessitated by the complexities of the problems in the Textile Sector. These problems are becoming more and more complicated day-by-day. Our Textile Sector to-day has many more specialised segments. These different segments have to deal with many different Government Agencies at the Federal and Provincial level in addition to the Public Corporations, utilities, social services and local bodies. Much time and energy of the entrepreneur as well as the Official agencies is wasted in tackling common problems separately and individually. A High-Powered Textile Board headed by a Federal Minister, therefore, offers the best answer for resolving the growing complexities of the problems in the Textile Sector. My suggestion was well received in the last meeting of the Federal Export Promotion Board.

Every society honours its live confirmists and its dead trouble makers.
— Mignon McLaughlin

PAKISTAN

REVIEW OF EXPORT POLICIES URGED

Karachi DAWN in English 30 Aug 85 p 13

[Article by Shahid Kardar]

[Text]

GOVERNMENT spokesmen have dwelled optimistically on the export potential of the economy, the receptiveness of international markets to our products and the alacrity with which the developed countries will permit the entry of our products into their domestic markets.

The need to increase exports is being felt because of the rising import bill and the sharp decline in home remittances. The Government is fully aware of the narrow range of products exported by us. Therefore, in response to these constraining factors we are witnessing downward adjustments of the exchange rate, pleas for diversification in the products exported and adoption of measures for liberalizing imports so that crucial raw material and capital goods can be imported for making exports more marketable through the necessary technological upgrading.

Exports have been identified as important from two points of view. First, they can create an additional demand for stimulating domestic production which was levelling off because of the limited size of the home market. Second, exports can be seen as instruments for earning vital foreign exchange to meet an import bill which continues to grow. The policy implications of these two views are different in a number of ways and need to be examined separately.

To visualise exports as an additional source of demand for domestic output requires that the production structure be shaped to meet the production pattern and quality requirements of international markets. For a poor country like ours such an approach could, conceivably, reduce the importance of a number of domestic priorities, like creating greater employment, giving equal consideration to the requirements of the various sectors of the economy (agriculture, industry etc.), reducing income differentials between regions and classes etc, as a lot of resources will be diverted to suit the pattern of demand (the type of products, their technological content etc.) Policies for largescale promotion of exports could, therefore, run contrary to the more urgent and basic needs of the economy, which under this strategy would be pushed into second place.

Limited Impact

Over the last 10 years our exports have represented a small proportion of our national output and income — around 10-11 per cent of GDP. In other words, the domestic market has been the basic determinant of the pace, pattern and level of economic growth. For exports to become the driving force for raising the level of economic activity would require an astronomical increase in exports. Moreover, the products exported would have to have strong forward and backward linkages with the rest of the

economy to have any multiplying effect i.e. these exports would have to use raw material inputs locally available (including agricultural and semi-finished goods and the abundant labour) while the money generated would have to be spent on goods produced domestically (and, again, those using local raw materials). Creating linkages with the rest of the economy is critical for a well-spread, self-sustaining process of growth.

As our traditional exports of agricultural products and cotton and cotton related products (comprising 55-60 per cent of our exports) are either falling or the rate of increase in their volumes is small a lot of stress is being laid on non-traditional exports like carpets, leather and leather products, fruits and vegetables — and admittedly there has been a conspicuous increase in their exports over the last seven years. But the problem is that markets of the developed countries are not quite open to our exports — agricultural commodities, textiles, garments etc. There are all sorts of restrictions ranging from high import duties to quantity quotas.

The protectionism covers a fairly wide range of products in which we either have or could have the ability to compete. These tariff walls are not going to be lowered in the near future. Moreover, even if the present recessionary climate is deemed to be a temporary phenomenon what cannot be denied is that the bulk of exports in future would not only have to have a high technological content in this micro-chip world but would also

only suit economies which can adjust quickly and easily to changes in the pattern of international demand. It is highly doubtful that the domestic production structure is flexible enough or is ever likely to be in a position in the foreseeable future, given its laggardly performance in the past, to respond quickly to changes in the pattern of demand.

In an economy like ours in which there is no indigenous technical development and where even the imported foreign technical know-how is of the 'screw-driver' type, our chances for a major breakthrough would surely be extremely limited. Nor can we conceivably ever have a comparative advantage over our competitors in such products to enable us to compete effectively in world markets.

All our major competitors also have large foreign debts to repay and are under pressure to increase exports to earn the foreign exchange required for servicing these debts. Some of them employ well-developed and fairly modern technologies and are using all sorts of measures like export subsidies, currency devaluations, dumping of products etc. to stimulate exports. All these measures are applying a downward pressure on prices. The Government presents its case by arguing that we ought to be looking at the long-term prospects and that there are grounds for optimism on the potential for exports. But the present situation of declining exports is precarious. In rupee terms exports have fallen by 12 per cent over last year while imports are higher by 12 per cent and the position would have been worse had disbursements from committed aid been higher — imports and aid disbursements are closely related. Such a state of affairs highlights our inability to increase exports and suggests that it is highly doubtful that profitable openings can be created for the future from the extremely narrow range of exportable products.

General welfare

The case in support of import

liberalisation — easing controls over foreign exchange transactions and lowering import barriers is presented in the following manner. It is claimed that it will improve general welfare by:

- i. making available crucial inputs — raw materials and capital goods — required by local industry so that exports can be increased by the technological upgrading of production facilities and through better capacity utilization; hence we see that items on the free list have been rising in spite of stagnating exports;
- ii. instilling competition;
- iii. forcing the inefficient domestic producers to improve their productivity;
- iv. reducing costs per unit of output etc.

It is argued that encouraging exports forces the industrial structure to become more cost-conscious as this is the only way manufacturers can improve their competitiveness. But this logic is false if exports have been, and continue to be, propped up by subsidies (rebates, concessional finance etc.), depreciation of the rupee etc. Moreover, the case is being propounded in a rather novel fashion. The argument against import substitution suggests that large profits accruing to the industrialists have made them less cost-conscious and have reduced the incentive to improve efficiency.

However, when it comes to exports the advocates of greater promotion of exports argue that higher profits accruing to the same industrialist will make him more cost-conscious and that he will make more efforts to improve his competitiveness. Why should he respond differently to similar opportunities presented by import substitution and exports, especially if he can lobby successfully for higher export rebates in case of stiffer competition abroad, is not explained.

The export performance to date cannot support the balance of payments difficulties which will be induced by the import liberalisation policy. The situation will only get worse because the problems are being compounded by the need to im-

port wheat and sugar for increasing supplies so as to keep prices and inflation in check. The Government presumably believes that the problems created for the country's balance of payments by import liberalisation will only be short-term in nature. But an important point is that there is a risk involved in adopting this strategy because although it will encourage imports it cannot necessarily result in increased exports — exports cannot rise simply by increasing imports. Even if in the long term such a strategy proves to be a success, the severe pressures it will place in the short-term on the dwindling foreign exchange reserves means that the demand for increased imports will have to be financed from increased foreign exchange borrowings because exports can only be increased after a certain time lag. But then, these days external loans are not readily available on soft terms. Is the Government willing to pay the price of harder and sensitive political and economic conditionalities?

Exports are obviously necessary to finance our imports and for servicing the external debt but they cannot be classified as a major source for raising the level of economic activity. Any attempt to grant them priority status, at the expense of domestic considerations, would certainly be an over-optimistic assessment of the options open to us. Also, what Government spokesmen seem to forget is that even in the widely quoted examples of Japan, Taiwan and South Korea they built their export potential after a labour-intensive industrial base had been created in a domestic market highly protected from foreign competition.

Also, not only does South Korea export a wide range of products, a very important factor contributing to its competitive ability in international markets has been the restrictive political climate in which wages have been suppressed by tightly controlling the labour force. It is the socio-economic system in South Korea which has been fundamental in sustaining the development process and its export competitiveness.